

THE TORONTO STOCK EXCHANGE

2/10/69

FILING STATEMENT NO. 1712
FILED, OCTOBER 7TH, 1969

NEW IMPERIAL MINES LTD.

Incorporated under the ^{Full corporate name of Company} Companies Act of the Province of Alberta by filing of Memorandum and Articles of Association registered Particulars of incorporation (e.g., Incorporated under Part IV of the Corporations Act, 1953) July 25, 1966 (Ontario) by Letters Patent dated May 1st, 1957).

FILING STATEMENT

reference is made to previous
filing statement no. 1487

(To be filed with respect to any material change in a company's affairs, including among other things, an underwriting and option agreement, an issue of shares for property and a proposed re-organization.)

1. Brief statement of the material change in the affairs of the company in respect of which this statement is filed.	See Schedule "A" on pages 3+4
2. Head office address and any other office address.	Head Office: 355 Burrard Street, Vancouver, B. C. Toronto Office: 85 Richmond Street W., Toronto, Ont. Mine Office: Box 2380, Whitehorse, Y. T. Registered Office: 204 Baltzan Building, 10156-101st St. Edmonton, Alberta
3. Names, addresses and chief occupations for the past five years of present or proposed officers and directors.	See Schedule "B" on pages 5+6
4. Share capitalization showing authorized and issued and outstanding capital.	10,000,000 shares of no par value of which 6,392,301 shares are issued and outstanding
5. Particulars in respect of any bonds, debentures, notes, mortgages, charges, liens or hypothecations outstanding.	1. Pursuant to a Deed of Trust and Mortgage dated April 1, 1966 made in favour of Canada Trust Company, the Company has issued 6% (or prime bank rate, whichever is higher) Series "A" Bonds in the principal amount of \$4,347,500 U.S. expressed to be payable on demand to secure advances made by Sumitomo under the loan agreement dated March 15, 1966 referred to in Item 1. The advances are payable at the greater of 7 1/2¢ U.S. per pound of copper produced or the operating profit as defined. The balance owing under the loan agreement as at August 31, 1969 including interest amounted to \$4,899,653.71 Canadian. The loan will be retired in full within sixty days of the closing of the transactions referred to in Item 1. 2. 6 1/2% loan (\$500,000 U.S.) from the Toronto Dominion Bank repayable after number 1 above. 3. 6 3/4%, 7 3/4% and 8 3/4% mortgage loans due by 1994, repayable at \$2,383 per month which includes principal, interest and taxes, secured by charges on land and houses for company employees. At June 30, 1969 these amount to \$235,249.
6. Details of any treasury shares or other securities now the subject of any underwriting, sale or option agreement or of any proposed underwriting, sale or option agreement.	Except as set forth in Item 1 above no treasury shares or other securities of the Company are now the subject of any underwriting, sale or option agreement or of any proposed underwriting, sale or option agreement, other than employee stock options in respect of 14,000 shares.

7. Name and address of persons having any interest, direct or indirect in underwritten or optioned shares or other securities or assignments, present or proposed, and, if any assignment is contemplated, particulars thereof.	Sumitomo Metal Mining Co. Ltd., 3-11, 5-chome, Shiba, Shinbashi, Minato-ku, Tokyo, Japan. Hudson Bay Mining and Smelting Co., Limited, Box 28, Toronto-Dominion Centre, Toronto 111, Ontario Anmercosa Investments Limited, Box 28, Toronto-Dominion Centre, Toronto 111, Ontario See Item 1 above.
8. Any payments in cash or securities of the company made or to be made to a promoter or finder in connection with a proposed underwriting or property acquisition.	Not applicable
9. Brief statement of company's future development plans, including proposed expenditure of proceeds of sale of treasury shares, if any.	The Company entered into the Master Agreement of August 20, 1969 so as to obtain funds sufficient to commence extending the Company's Little Chief ore body and to consider the possible underground extension of the Company's properties known as the Middle Chief and Big Chief zones. In this regard the Company intends to follow the "Feasibility Study for the underground development of the Little Chief ore body" prepared by James, Buffam & Cooper, of Toronto, Ontario, as contained in their report of May, 1969. The proceeds of these transactions referred to in Item 1 are to be used by the Company for the following purposes: 1. immediate repayment of approximately \$3,600,000 representing the major part of a loan previously made to the Company by Sumitomo pursuant to the Loan Agreement; 2. repayment of an existing bank loan of approximately \$500,000 (U.S.); 3. the balance of the funds will be used together with earnings to finance the underground development of the Company.
Brief statement of company's chief development work during past year.	During the past year the Company commenced mining the Arctic Chief deposit and at the same time continued working on the final benches of the Little Chief open pit. At December 31, 1968 there was produced from the Little Chief Pit 748,946 tons and from the Arctic Chief pit 174,482 tons. Mining of these two pits was completed in the first half of 1969. Development work also consisted of building a road from the War Eagle property. Production from this property commenced in late July, 1969.
11. Names and addresses of vendors of any property or other assets intended to be purchased by the company showing the consideration to be paid.	Not applicable
12. Names and addresses of persons who have received or will receive a greater than 5% interest in the shares or other consideration to be received by the vendor. If the vendor is a limited company, the names and addresses of persons having a greater than 5% interest in the vendor company.	Not applicable
13. Number of shares held in escrow or in pool and a brief statement of the terms of escrow or the pooling agreement.	Not applicable
14. Names and addresses of owners of more than a 5% interest in escrowed shares and their shareholdings (If shares are registered in the names of nominees or in street names, give names of beneficial owners, if possible.)	Not applicable

SCHEDULE "A"

The Company has entered into an Agreement dated August 20, 1969 (the "Master Agreement") with Hudson Bay Mining and Smelting Co. Limited ("Hudbay") and Anmercosa Investments Limited ("Anmercosa"), a wholly owned subsidiary of Anglo American Corporation of Canada Limited.

Shares:

The Master Agreement provides that at the closing (October 27, 1969) Hudbay and Anmercosa each will subscribe for 500,000 shares of the Company at the price of \$2.40 per share, to yield the Company \$2,400,000.

Under a Loan Agreement dated March 15, 1966 between the Company and Sumitomo Metal Mining Co. Ltd. ("Sumitomo") the Company has granted Sumitomo the option to convert up to \$1,480,000 U.S. of the loan to shares of the capital stock of the Company at \$1.30 Canadian per share on the basis of \$1 Canadian equaling \$0.925 U.S. The option remains outstanding as to 1,000,001 shares.

The Master Agreement provides that if Sumitomo Metal Mining Co. Ltd. fails to exercise its right of conversion Hudbay and Anmercosa will purchase such shares as are not purchased by Sumitomo at \$1.30 per share.

Under the Master Agreement the Company has also granted to Hudbay and Anmercosa an option to purchase all or any part of 500,000 shares each at \$3 per share. The option is exercisable on ten days' written notice to the Company and is open for acceptance up to and including December 31, 1972. Should any part of these options be exercised, the proceeds must be applied to redeem the bonds mentioned below.

Bonds:

The Master Agreement further provides that at closing Hudbay and Anmercosa each will purchase \$1,425,000 aggregate principal amount of 7% income bonds (the "bonds") of the Company, to yield the Company \$2,850,000.

The bonds are to mature December 31, 1976 and are to bear interest accruing from the date of their issue at the rate of 7% per annum compounded semi-annually on June 30th and December 31st of each year and payable semi-annually commencing December 31, 1969 and ending December 31, 1972 out of operating profits of the Company for the period commencing June 30, 1969 to each payment date to the extent of 50% of the amount, if any, by which operating profits exceed in the aggregate operating losses for the same period and all interest and principal payments theretofore paid on the bonds. Commencing January 1, 1973 interest (accrued and compounded as aforesaid) and principal are payable semi-annually commencing June 30, 1973 out of operating profits of the Company for the period commencing January 1, 1973 to each payment date to the extent of 50% of the amount, if any, by which operating profits exceed in the aggregate operating losses for the same period and all interest and principal payments theretofore paid on the bonds. At maturity the Company is obliged to repay the principal amount of bonds then remaining plus accrued interest, provided that the total amount then due and payable in respect of accrued interest shall not exceed the amount by which operating profits

of the Company for the period from January 1, 1973 to maturity exceeds in the aggregate operating losses for the same period. The bonds are to be created and issued pursuant to a trust deed which shall create as security for the bonds a first fixed and specific mortgage pledge and charge of the Company's real and immovable properties and rights and its buildings, machinery and equipment and other chattel property and a first floating charge on its undertaking property and assets both present and future, subject only to the prior rights of a Canadian Chartered Bank relating to the line of credit referred to below.

The Trust Deed securing the Bonds will contain restrictions

- (i) preventing the payment of cash dividends by the Company unless after giving effect to such action the Net Quick Assets of the Company are not less than \$1,000,000; and
- (ii) preventing additional borrowings by the Company, except for the purpose of establishing a 3 year line of credit in the amount of (U.S.) \$1,250,000 with a Canadian chartered bank, which is described below and to which Hudbay and Anmercosa have consented.

"Operating Profits" and "Net Quick Assets" are specifically defined in the Trust Deed.

The Company may redeem the Bonds in whole or in instalments of \$500,000 on 90 days notice at par plus accrued interest at any time.

Neither Hudbay nor Anmercosa nor their associates are presently shareholders of the Company. If the options referred to above are exercised, each would hold 10.65% interest in the shares of the Company. Under the Master Agreement, each will have the right to nominate two directors to the Board of the Company.

The closing of the Master Agreement is subject to various requirements being met, including the Company giving to Sumitomo valid notice of repayment of the loan from Sumitomo to the Company. (see Item 5). The Company is required to repay Sumitomo the entire outstanding amount of the loan within 60 days from the date of giving such notice. The Master Agreement also requires repayment of the loan of \$500,000 U.S. from the Toronto Dominion Bank (see Item 5).

Both Hudbay and Anmercosa have indicated to the Company that they intend to hold the shares and bonds acquired under the Master Agreement for investment purposes.

The Toronto Dominion Bank (the "Bank") Loan:

The Company proposes to enter into a loan agreement with the Bank to establish a fluctuating operating credit (the "Credit") in the principal amount of \$1,250,000 U.S. for a three year period from November 1, 1969. Interest under the Credit will be the six month Eurodollar offering rate in effect on the date of each advance, plus 1 1/2%. Interest on advances outstanding for more than six months will be adjusted to the current Eurodollar offering plus 1 1/2%.

As security for all amounts advanced under this line of credit the Company will deliver to the Bank:

- (i) an assignment of book debts;
- (ii) a pledge of the Company's inventory under section 88 of the Bank act; and
- (iii) evidence of the subordination of the Bonds to all indebtedness (present or future) of the Company to the Bank.

SCHEDULE "B"

<u>Name and Position</u>	<u>Address</u>	<u>Chief Occupation For the Last 5 Years</u>
Earl B. Gillanders Director	13237 Crescent Road Surrey, B. C.	Mining Consultant
Kenjiro Kawakami Director	2, 4-Chome, Denechofu Ohtaku, Tokyo, Japan	President and representative Director of Sumitomo Metal Mining Co. Ltd.
Eric G. Lambert Director	355 Beverley Avenue Town of Mount Royal Quebec	Vice-President of Finance British New Foundland Corporation Limited. Previously Executive of Canada Wire and Cable Co.
Kenzoe Maeda Director	4, Nihonbashi-Honcho-2 Chome-Chuoku, Tokyo, Japan	General Manager mineral and non-ferrous metal division C. Itoh & Co. Ltd.
David M. Morgan Director and Vice-President	16691 16th Avenue Surrey, B. C.	Vice-President and Chief Executive Officer of the Company and previously Executive of other mining companies.
Arnold Pitt Director and President	115 Dorset Street W. Port Hope, Ontario	President of the Company
Patrick M. Reynolds Director	1411 Connaught Drive Vancouver, B. C.	President and Chief Executive Officer of Bethlehem Copper Corporation Ltd.
Gaylord Clinton Snell Director	1755 30th Street West Vancouver, B.C.	Chairman of the Board of Arctic Gold and Silver Mines Limited (N.P.L.) and prior to 1969, President of that Company and Executive of hardboard company
Masao Yokose Director	1367 West 41st Avenue Vancouver, B. C.	Vice-President and Treasurer of Sumitomo Metal Mining Co. Ltd. and previously an employee of that Company
Raymond O. Hampton Secretary-Treasurer	7138 Angus Drive Vancouver, B. C.	Secretary-Treasurer of the Company. Prior to 1966 a chartered accountant with McDonald, Currie and Co.

The names of the nominees of Hudson Bay Mining and Smelting Co. Limited and Anmercosa Investments Limited are:

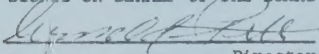
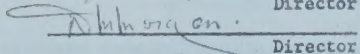
<u>Name and Position</u>	<u>Address</u>	<u>Chief Occupation For the Last 5 Years</u>
Eric S. Austin	16 Wilket Road Willowdale, Ontario	President, Hudson Bay Mining and Smelting Co., Limited Prior to 1966 Executive Vice-President, Hudson Bay Mining and Smelting Co., Limited
William A. Morrice	85 Laurentide Drive Don Mills, Ontario	Executive Vice-President, Hudson Bay Mining and Smelting Co., Limited Prior to 1969 Senior Vice-President and General Manager, Hudson Bay Mining & Smelting Co., Limited
Gavin W. H. Relly	P. O. Box 1986 Lusaka, Zambia Central Africa	Director, Anglo American Corporation of Canada Limited, and Anglo American Corporation (Central Africa) Ltd.
Alan B. McKerron	15 Whitney Avenue Toronto 5, Ontario	Vice-President, Anglo American Corporation of Canada Limited. Prior to July 1968, an executive of Anglo American Corporation of South Africa, Limited.

FINANCIAL STATEMENTS

NEW IMPERIAL MINES LTD. STATEMENT OF FINANCIAL POSITION AS AT JUNE 30, 1969

	June 30, 1969 \$	December 31, 1968 \$
CURRENT ASSETS		
Cash	431,397	316,275
Concentrate settlements receivable, at estimated realizable value	177,560	72,301
Accounts receivable	4,636	8,763
Concentrate inventory, (for which a sales contract has been made) at estimated net realizable value	1,562,296	1,176,082
Broken ore inventory, at cost		183,800
Mine materials and supplies, at cost.	461,586	456,508
Prepaid expenses	<u>92,772</u>	<u>96,309</u>
	<u>2,730,247</u>	<u>2,310,038</u>
DEDUCT:		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	310,272	549,008
Yukon royalty	89,613	34,613
Long-term debt maturing within one year (note 5)	<u>913,097</u>	<u>1,093,105</u>
	<u>1,312,982</u>	<u>1,676,726</u>
WORKING CAPITAL	<u>1,417,265</u>	<u>633,312</u>
OTHER ASSETS		
Loan to director		9,000
Mining properties (notes 1 and 2)	496,086	486,086
Plant and equipment, less accumulated depreciation (note 3)	6,899,683	6,755,234
Deferred expenditures (notes 1 and 4)	<u>3,727,671</u>	<u>3,175,175</u>
TOTAL ASSETS LESS CURRENT LIABILITIES	<u>12,540,705</u>	<u>11,058,807</u>
DEDUCT:		
LONG-TERM DEBT, less amounts maturing within one year	<u>5,041,315</u>	<u>5,811,923</u>
SHAREHOLDERS' EQUITY	<u>7,499,390</u>	<u>5,246,884</u>
REPRESENTED BY:		
Capital stock (notes 6 and 7)		
Authorized - 10,000,000 shares of no par value		
Issued and fully paid - 6,390,301 shares (December 31, 1968 - 6,368,001 shares)	3,480,064	3,421,984
Retained earnings	<u>4,019,326</u>	<u>1,824,900</u>
	<u>7,499,390</u>	<u>5,246,884</u>

SIGNED ON BEHALF OF THE BOARD


Director

Director

STATEMENT OF EARNINGS AND RETAINED EARNINGS FOR THE SIX MONTHS ENDED JUNE 30, 1969

	Six months ended June 30, 1969 \$	Year ended December 31, 1968 \$
REVENUE FROM CONCENTRATES PRODUCED	5,506,876	6,976,063
Less: Treatment and marketing costs	<u>833,557</u>	<u>1,296,211</u>
	<u>4,673,319</u>	<u>5,679,852</u>
EXPENDITURES		
Cost of concentrate production	1,594,840	2,730,823
Administration (including interest on mortgage loans of \$10,438)	260,734	514,518
Exploration	1,604	29,227
Provision for Yukon royalty	<u>55,000</u>	<u>30,000</u>
	<u>1,912,178</u>	<u>3,304,568</u>
OPERATING INCOME	<u>2,761,141</u>	<u>2,375,284</u>
INTEREST ON 7-3/4% FIRST MORTGAGE BONDS, 6% MORTGAGE BONDS AND 6-1/2% LOAN	<u>148,387</u>	<u>133,828</u>
EARNINGS WHICH PROVIDE WORKING CAPITAL	<u>2,612,754</u>	<u>2,241,456</u>
OTHER EXPENSES		
Depreciation	339,450	624,408
Loss on disposal of fixed assets	6,481	4,071
Accrued interest on 6% mortgage bonds	<u>72,397</u>	<u>354,242</u>
	<u>418,328</u>	<u>982,721</u>
NET EARNINGS FOR THE PERIOD	<u>2,194,426</u>	<u>1,258,735</u>
RETAINED EARNINGS - BEGINNING OF PERIOD	<u>1,824,900</u>	<u>566,165</u>
RETAINED EARNINGS - END OF PERIOD	<u>4,019,326</u>	<u>1,824,900</u>

NEW IMPERIAL MINES LTD.

STATEMENT OF SOURCE AND USE OF WORKING CAPITAL

FOR THE SIX MONTHS ENDED JUNE 30, 1969

	Six months ended June 30, 1969 \$	Year ended December 31, 1968 \$
SOURCE		
Operations	2,612,754	2,241,456
Loan to director repaid	9,000	1,000
6-1/2% loan		540,000
Mortgages	60,795	6,970
Capital stock issued	<u>58,080</u>	<u>313,230</u>
	<u>2,740,629</u>	<u>3,102,656</u>
USE		
Deferred expenditures	552,496	500,485
Plant and equipment additions - net	490,380	700,076
Mining properties	10,000	92,596
Long-term debt	<u>903,800</u>	<u>1,617,408</u>
	<u>1,956,676</u>	<u>2,910,565</u>
INCREASE IN WORKING CAPITAL	783,953	192,091
WORKING CAPITAL - BEGINNING OF PERIOD	<u>633,312</u>	<u>441,221</u>
WORKING CAPITAL - END OF PERIOD	<u>1,417,265</u>	<u>633,312</u>

NOTES TO FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED JUNE 30, 1969

1. VALUES

The amounts shown for mining properties and deferred expenditures represent costs to date and not necessarily present or future values.

2. MINING PROPERTIES

Mining properties as at June 30, 1969 are as follows:

	Number of claims	\$
Mineral claims staked - at nominal value	406	7,345
Mineral claims purchased - at cost	64	334,241
Mineral claims under option - at option prices less amounts due under option agreements of \$208,000 to be paid in instalments extending to 1972, of which \$65,000 is due before June 30, 1970	<u>101</u>	<u>154,500</u>
	<u>571</u>	<u>496,086</u>

3. PLANT AND EQUIPMENT

Plant and equipment costs and related accumulated depreciation, calculated on a straight line basis, are as follows:

	June 30, 1969				December 31, 1968
	Cost \$	Annual rate	Accumulated depreciation \$	Net \$	Net \$
Mining equipment	1,843,895	20%	645,776	1,198,119	1,198,455
Plant and equipment	5,831,366	5%	554,056	5,277,310	5,149,695
Staff houses and land	<u>453,658</u>	<u>4%</u>	<u>29,404</u>	<u>424,254</u>	<u>407,084</u>
	<u>8,128,919</u>		<u>1,229,236</u>	<u>6,899,683</u>	<u>6,755,234</u>

4. DEFERRED EXPENDITURES

(a) The balance of deferred expenditures at June 30, 1969 is as follows:

		\$
Balance - December 31, 1968		3,175,175
Expenditures during the period -		
Little Chief Underground	15,950	
War Eagle	375,288	
Best Chance	829	
Gem	136,183	
Cowley Park	<u>24,246</u>	<u>552,496</u>
Balance - June 30, 1969		<u>3,727,671</u>

(b) The company does not amortize deferred expenditures by a charge to current operations. Under the Federal Income Tax Act these expenditures can be deferred until the end of the three year tax exempt period, which expires on July 31, 1970. It is the company's intention to write off these expenditures to retained earnings after that period.

5. LONG-TERM DEBT

	June 30, 1969 \$	December 31, 1968 \$
(a) 7-3/4% first mortgage bonds (\$1,000,000 U.S.) maturing June 30, 1969		1,081,264
(b) 6% (or prime bank rate, whichever is higher) mortgage bonds (\$4,070,000 U.S.) maturing December 31, 1972, repayable, after, (a) above, at the greater of 7-1/2¢ U.S. per pound of copper produced or the operating profits, as defined, subject to conversion rights per note 7	4,383,150	4,383,150
(c) 6-1/2% loan (\$500,000 U.S.) repayable after (a) and (b)	540,000	540,000
(d) 6-3/4%, 7-3/4% and 8-3/4% mortgage loans due by 1994, repayable at \$2,383 per month which includes principal, interest and taxes, secured by charges on land and houses for company employees	<u>235,249</u>	<u>177,054</u>
	5,158,399	6,181,468
Accrued interest on 6% mortgage bonds	<u>796,013</u>	<u>723,560</u>
	5,954,412	6,905,028
Less: Estimated portion maturing within one year included with current liabilities	<u>913,097</u>	<u>1,093,105</u>
	<u>5,041,315</u>	<u>5,811,923</u>

The 6% mortgage bonds are secured by deeds of trust and mortgage constituting fixed and floating charges on all properties and assets of the company now or hereafter acquired.

At June 30, 1969 the prime bank rate was 8-1/4%.

U.S. funds have been converted at the rate of exchange prevailing at the date of receipt.

6% mortgage bonds and accrued interest due within one year, amounting to \$900,000, has been determined on the basis of estimated copper production at the rate of 7-1/2¢ (U.S.) per pound.

6. CAPITAL STOCK

(a) Since incorporation, the following shares have been issued for the consideration indicated:

	Shares	Amount \$
For cash	5,559,906	2,966,801
For services	352,826	34,987
For properties	<u>477,569</u>	<u>478,276</u>
	<u>6,390,301</u>	<u>3,480,064</u>

NEW IMPERIAL MINES
NOTES TO FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED JUNE 30, 1969

6. CAPITAL STOCK (continued)

- (b) During the six months ended June 30, 1969 the company issued 22,300 shares for \$58,080 cash.
- (c) No dividends shall be paid so long as the bonds under note 5(b) are outstanding.

7. STOCK OPTIONS OUTSTANDING

The company has granted the 6% mortgage bondholders the option to convert up to \$1,480,000 U.S. of the bonds to 1,230,769 shares of the capital stock of the company (note 5). To June 30, 1969, bonds of \$277,499 U.S. had been converted under the option to 230,768 shares.

The company has granted, as an incentive to senior salaried employees of the company, options to purchase a total of 73,000 shares of the capital stock of the company at a price of \$2.60 and \$2.65 per share. These options are exercisable in varying amounts to April 30, 1971. To June 30, 1969, 40,634 of these shares had been purchased under the options; options on 18,366 of these shares were cancelled; and options on 14,000 shares remained outstanding.

8. INCOME TAXES

Under the provisions of the Income Tax Act, the company is exempt from income taxes for a three year period from August 1, 1967, the date the Department of National Revenue deems the company to have commenced production.

9. REMUNERATION OF DIRECTORS AND SENIOR OFFICERS

Senior officers, as defined by the Alberta Securities Act, 1967, include the five highest paid employees of a company. The aggregate direct remuneration paid during the six months ended June 30, 1969 to the directors and senior officers (three of whom are mine personnel) amounted to \$94,898.

McDONALD, CURRIE & CO.
CHARTERED ACCOUNTANTS

INTERNATIONAL FIRM
COOPERS & LYBRAND

TELEPHONE 682-7821
900 WEST HASTINGS STREET
VANCOUVER 1, BRITISH COLUMBIA, CANADA

AUDITORS' REPORT TO THE DIRECTORS

We have examined the statement of financial position of New Imperial Mines Ltd. as at June 30, 1969 and the statements of earnings and retained earnings and source and use of working capital for the six months then ended. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

Generally accepted accounting principles, as presently applied to mining, require that deferred expenditures be amortized by charges to income in amounts and over periods which can vary according to the rate of which ore reserves will be absorbed into production. The company does not amortize deferred expenditures by a charge to current operations but has adopted a policy referred to in note 4. It is not possible or practicable to determine the ultimate ore reserves or the life of the mining properties at this time. Based on presently determined ore reserves, the earnings for the six months would have been reduced by approximately \$100,000 if deferred expenditures had been amortized. On this basis total amortization from commencement of production would be approximately \$400,000 and retained earnings would have been reduced by that amount.

Subject to the qualification set out in the preceding paragraph, in our opinion these financial statements present fairly the financial position of the company as at June 30, 1969 and the results of its operations and the source and use of its working capital for the six months then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding period.

McDonald, Currie & Co.

Vancouver, B. C.
June 21, 1969

CHARTERED ACCOUNTANTS

ENGINEER S REPORT

JAMES, BUFFAM & COOPER

GEOLGISTS

W. F. JAMES
B. S. W. BUFFAM
M. A. COOPER
W. JAMES

SUITE 1506
44 KING STREET WEST
TORONTO 1, ONTARIO
(416) 362-2341

NEW IMPERIAL MINES LIMITED

Summary and Certification Re: Feasibility Study for the Underground Development of the Little Chief Ore Body - May 1969

Summary

In this report a system for underground exploration, development and exploitation of the ore beneath the Little Chief ore body is recommended. The estimated diamond drill indicated ore reserves in the Little Chief ore body, that may be extracted by the sub-level caving mining method, are 3,019,000 tons with a grade of 2.13% copper. At the tonnage rates proposed in this report this underground reserve will be exhausted by the end of 1976. In the eight years, 1969 through 1976, a total of 6,160,000 tons of ore will be milled about half of which will be mined from open pits.

The report presents a capital cost estimate to develop and prepare this ore for mining. The cost for exploring for additional ore as well as the capital expenditures for plant additions and open pit equipment were estimated. The aggregate of these capital expenditures is \$10,864,000

A Cash Flow estimate was made for the years during which underground ore now indicated together with the known open pit ore will be exploited. A summary of the estimated Cash Flow for the years 1969 through to 1976 is as follows:

Net Smelter Return (copper at 40 cents US)	Can. \$62,136,000
Operating Profits including cash on hand	30,395,000
Capital Expenditures	10,864,000
Head Office, Exploration, Taxes, etc.	4,816,000
Debt Repayments with Interest	11,947,000
Net Loan Required (interest not included and assuming cash flow is applied to capital costs)	3,462,000
Cash Flow	6,230,000

A one cent change in the price of copper changes the net smelter return by \$1,700,000 Can. over the eight year period.

As the mining method cannot be definitely determined at this time it should be noted that a one dollar increase in the underground operating costs that might result from the necessity of utilization of a more expensive mining method would add \$3,000,000 Can. to the operating costs over the eight years and would reduce the cash flow to less than \$3,000,000.

Certification

I, Herbert H. Cox, Mining Engineer of the City of Toronto, in the Province of Ontario do hereby certify as follows:

1. I am a Consulting Mining Engineer and reside at 134 Buckingham Avenue, Toronto 12, Ontario.
2. I am a graduate of:
Mount Allison University, B.Sc., 1934.
Queen's University, B.Sc. (Mining Engineering), 1936
3. I am a member of the Association of Professional Engineers of the Province of Ontario and the Corporation of Engineers of Quebec.
4. I have been practising my profession since graduation.
5. I have no interest direct or indirect in the property or securities of New Imperial Mines Limited.
6. My report is based on several visits to the property during the years 1968 and 1969 when I obtained the necessary data for the compilation of this report.



September 19, 1969
Toronto 1, Ontario

Herbert H. Cox

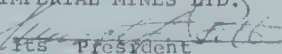
15. Names, addresses and shareholdings of the largest registered shareholders and if shareholdings are pooled or escrowed, so stating. If shares are registered in names of nominees or in street names, give names of beneficial owners, if possible, and if names are not those of beneficial owners, so state.	<table> <tr> <th>Name and Address</th><th>Number of Shares</th></tr> <tr> <td>Sumitomo Metal Mining Co. Ltd. 11-35 Chome Shimbashi, Minago - KU Tokyo, Japan</td><td>550,576</td></tr> <tr> <td>Standard Securities Ltd. 185 Bay Street Toronto, Ontario</td><td>537,960</td></tr> <tr> <td>S. J. Brooks & Co. 185 Bay Street Toronto, Ontario</td><td>290,040</td></tr> <tr> <td>Arnold Pitt 115 Dorset Street West Port Hope, Ontario</td><td>225,655</td></tr> <tr> <td>Richardson Securities of Canada 173 Portage Avenue East Winnipeg 2, Manitoba</td><td>204,794</td></tr> </table> The Company has been informed that the shares registered in the names of Sumitomo Metal Mining Co. Ltd. and Mr. Arnold Pitt are beneficially owned by the respective registered holders thereof.	Name and Address	Number of Shares	Sumitomo Metal Mining Co. Ltd. 11-35 Chome Shimbashi, Minago - KU Tokyo, Japan	550,576	Standard Securities Ltd. 185 Bay Street Toronto, Ontario	537,960	S. J. Brooks & Co. 185 Bay Street Toronto, Ontario	290,040	Arnold Pitt 115 Dorset Street West Port Hope, Ontario	225,655	Richardson Securities of Canada 173 Portage Avenue East Winnipeg 2, Manitoba	204,794
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Richardson Securities of Canada 173 Portage Avenue East Winnipeg 2, Manitoba	204,794												
16. Names, and addresses of persons whose shareholdings are large enough to materially affect control	Management may, through solicitation of proxies, be in a position to materially affect control of the Company.												
17. If assets include investments in the shares or other securities of other companies, give an itemized statement thereof showing cost or book value and present market value.	Not applicable												
18. Brief statement of any lawsuits pending or in process against company or its properties.	There are no law suits pending or in process against the Company												
19. The dates of and parties to and the general nature of every material contract entered into by the company which is still in effect and is not disclosed in the foregoing.	- Loan Agreement dated 15 March, 1966 between Sumitomo Metal Mining Co. Ltd. and the Company. - Concentrates Sales Agreement dated 15 March, 1966 between Ataka & Co. Ltd. and C. Itoh & Co. Ltd. and the Company as amended March 30, 1966; July 1, 1967 and October 21, 1968. - Fluctuating operating credit agreement with The Toronto-Dominion Bank to be entered into at the closing providing for credit up to \$1,250,000 U.S. for a three year period commencing November 1, 1969. - Shipping Agreement between White Pass Yukon Railway Company and the Company dated February 15, 1967, expiring April 30, 1970. - Electricity Supply Agreement between the Company and Yukon Electric. - Master Agreement between Hudson Bay Mining and Smelting Co. Limited, Anmercosa Investments Limited, Anglo American Corporation of Canada Limited and the Company dated August 20, 1969. - Concentrate Storage Agreement dated February 16, 1967 with Vancouver Wharves expiring April 30, 1970. - Various Agreements for acquisition of mining properties substantially all entered into before 1967 on which about \$198,000 is outstanding.												
20. Statement of any other material facts and if none, so state. Also state whether any shares of the company are in the course of primary distribution to the public.	There are no other material facts. None of the shares are in the course of primary distribution to the public.												

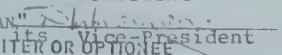
CERTIFICATE OF THE COMPANY

DATED September 25, 1969

The foregoing, together with the financial information and other reports where required, constitutes full, true and plain disclosure of all material facts in respect of the matters referred to in Item 1 above and in respect of the company's affairs and there is no further material information applicable. (To be signed by two principal signing officers who are directors and the corporate seal to be affixed.)

NEW IMPERIAL MINES LTD.

"A. PITT"  CORPORATE SEAL
its President

"B. M. MORGAN"  CORPORATE SEAL
its Vice-President

CERTIFICATE OF UNDERWRITER OR OPTIONEE

To the best of my knowledge, information and belief, the foregoing, together with the financial information and the reports where required, constitutes full, true and plain disclosure of all material facts in respect of the matters referred to in Item 1 above in respect of the company's affairs. Concerning matters which are not within my knowledge, I have relied upon the accuracy and adequacy of the information supplied to me by the company. (To be signed by underwriter or optionee registered with the Ontario Securities Commission or a corresponding body.)

THE TORONTO STOCK EXCHANGE

FILING STATEMENT NO. 1487.
FILED, SEPTEMBER 22nd, 1966.

NEW IMPERIAL MINES LTD.

Full corporate name of Company

Company incorporated by Certificate of Incorporation under the laws of the Province of Alberta on September 7, 1964, under the name of Imperial Mines & Metals Ltd., under a certificate issued by the Registrar of Companies for the Province of Alberta dated March 7, 1957 the name of the Company was changed to NEW IMPERIAL MINES LTD.

Particulars of incorporation (e.g., Incorporated under Part IV of the Corporations Act, 1953 (Ontario) by Letters Patent dated May 1st, 1957).

FILING STATEMENT

(To be filed with respect to any material change in a company's affairs, including among other things, an underwriting and option agreement, an issue of shares for property and a proposed re-organization.)

1. Brief statement of the material change in the affairs of the company in respect of which this statement is filed.	The Company has entered into an underwriting-option agreement covering a firm underwriting of 400,000 shares of stock together with an option on a further 100,000 shares as described in item 6 hereof.
2. Head office address and any other office address.	Head Office: c/o Miller, Miller and Witten 10,156 101st Street, Edmonton, Alberta. Executive Office: Suite 1022, 85 Richmond Street West, Toronto 1. Vancouver Office: Marine Building, 355 Burrard Street, Vancouver, B.C. Mine Office: Whitehorse, Yukon Territory.
3. Names, addresses and chief occupations for the past five years of present or proposed officers and directors.	President and a Director:- Arnold Pitt 5, Hill Garden Road, Professional Weston, Ontario Engineer Vice-President and a Director:- G. Clinton 1501 Stavebank Road Executive Snell Port Credit, Ontario Vice-President and a Director:- One of Her Robert W. 88 Elm Avenue, Majesty's Macaulay Toronto 5, Ontario Counsel Director:- James A. 1995 Mathers Avenue, Businessman Simmons West Vancouver, British Columbia Eric G. 134 Empress Avenue, Chartered Lambert Willowdale, Ontario Accountant Kenjiro Ka 2, 4 Chome, Mining Kawakami Denenchofu Ohtaku, Executive Tokyo, Japan Toshio 333-20 Tamagawa, Mining Mizuta Setamachi, Executive Setagaya-Ku, Tokyo, Japan Yoshiyuki 832 Westview Crescent Maruo North Vancouver, Mining British Columbia Executive Patrick M. 1411 Connaught Drive Reynolds Vancouver 9, Chartered British Columbia Accountant Secretary:- David R. 23 Forest Heights Blvd., Finlay Willowdale, Ontario Barrister and Solicitor. Treasurer:- Raymond O. 7138 Angus Drive, Chartered Hampton Vancouver, B.C. Accountant
4. Share capitalization showing authorized and issued and outstanding capital.	Authorized: 7,500,000 shares without par value Issued: 5,468,899
5. Particulars in respect of any bonds, debentures, notes, mortgages, charges, liens or hypothecations outstanding.	(a) A loan by Sumitomo of \$4,347,500.00 U.S. (anticipated to provide \$4,700,000.00 Canadian) to the company has been secured by bonds issued under a Deed of Trust and Mortgage in favour of The Canada Trust Company. The Deed of Trust and Mortgage constitutes a fixed and floating charge on all the properties, assets, goods and chattels of the company now owned or hereafter acquired. The said loan bears interest at the rate of 6% per annum or such other rate as may become applicable under the terms of the Loan Agreement, and is to be repaid from the operating profit of the Company as defined in the Loan Agreement in the following minimum amounts: 1. \$1,480,000.00 U.S. together with accrued and capitalized interest within three years of the production date as defined in the Loan Agreement. 2. A further \$1,480,000.00 U.S. plus accrued interest within four years of the production date as defined in the Loan Agreement.

6. Details of any treasury shares or other securities now the subject of any underwriting, sale or option agreement or of any proposed underwriting, sale or option agreement.	(a) The Company has entered into an underwriting-option agreement dated the 20th day of September, 1966 with:- Midland-Osler Securities Ltd., 44, King Street West, Toronto, Ontario as to a 46$\frac{1}{2}$% interest, Moss Lawson & Co. Limited, 48 Yonge Street, Toronto, Ontario, as to a 23$\frac{1}{4}$% interest, S. J. Brooks & Company, 185 Bay Street, Toronto, Ontario as to a 16$\frac{1}{2}$% interest and Walwyn, Stodgell & Co. Limited 7, King Street East, Toronto, Ontario, as to a 13$\frac{3}{4}$% interest, consisting of a firm underwriting of 400,000 shares at \$1.25 per share payable forthwith. The agreement contains an option on a further 100,000 shares at \$1.50 per share which option may be exercised within sixty days of the closing date. The optionees have the right to extend the option for a further sixty days if the average closing price of the shares of the Company on the Toronto and Vancouver Stock Exchanges for the five trading days prior to the expiration of sixty days from the closing date is less than \$1.60 a share. (b) By an agreement dated the 30th day of October, 1964 as amended by agreements dated the 16th day of December, 1964, and the 10th day of February, 1965, the Company granted to Arnold Pitt, the President of the Company an option exercisable up to the 30th day of October, 1967, to purchase 150,000 treasury shares of the Company at the following prices: \$1.90 per share for all shares taken up after October 30th, 1965, and prior to October 30th, 1966 \$2.15 per share for all shares taken up after October 30th, 1966 (c) Under the terms of a Loan Agreement entered into between Sumitomo Metal Mining Co., Ltd. 12, 5-Chome Shimbashi, Minato-Ku, Tokyo, Japan (hereinafter referred to as "Sumitomo") and the company, dated for reference the 15th day of March, 1966, the company has granted to Sumitomo the right to convert up to \$1.6 million of the said loan into shares of the company at the fixed price of \$1.30 per share as follows: \$300,000.00 on or before December 30, 1968 \$500,000.00 on or before December 30, 1969 \$800,000.00 on or before December 30, 1970
7. Names and addresses of persons having any interest, direct or indirect in underwritten or optioned shares or other securities or assignments, present or proposed, and, if any assignment is contemplated, particulars thereof.	The underwriters mentioned in item 6 above are all members of the Toronto Stock Exchange and are all acting as principals in this transaction.
8. Any payments in cash or securities of the company made or to be made to a promoter or finder in connection with a proposed underwriting or property acquisition.	NONE
9. Brief statement of company's future development plans, including proposed expenditure of proceeds of sale of treasury shares, if any.	To repay a short term loan of \$320,000.00 together with interest to Sumitomo Metal Mining Co., Ltd. To make option payments on properties as and when they fall due. To complete construction of mine mill and transport facilities on companies properties at Whitehorse, Yukon Territory. Production expected to commence during March, 1967.
10. Brief statement of company's chief development work during past year.	Extensive diamond drilling on the Company's properties located near Whitehorse, Yukon Territory, to prove up mineable ore reserves of 7,990,000 tons. Completion of final feasibility study. Preliminary work in preparation of construction of facilities and sites for open pit mining operation. Construction of 2,500 ton per day mill now in progress
11. Names and addresses of vendors of any property or other assets intended to be purchased by the company showing the consideration to be paid.	See item 27 (c) of Listing Statement 2243
12. Names and addresses of persons who have received or will receive a greater than 5% interest in the shares or other consideration to be received by the vendor. If the vendor is a limited company, the names and addresses of persons having a greater than 5% interest in the vendor company.	See item 11

FINANCIAL STATEMENT

NEW IMPERIAL MINES LTD.

STATEMENT OF SOURCE AND APPLICATION OF FUNDS

FOR THE PERIOD July 1, 1966 to August 31, 1966

SOURCE OF FUNDS

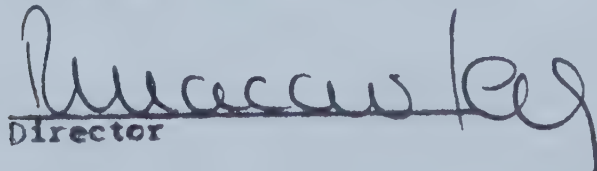
	\$	\$
Proceeds from first two remittances under Sumitomo Metal Mining Co. Limited loan agreement (U.S. Funds)	1,420,000	
Add: U. S. Exchange	<u>105,588</u>	1,525,588
Advance on loan agreement received from Sumitomo Metal mining Co. Limited of Canada		290,000
Interest earned on deposit receipts		<u>2,466</u>
		<u>1,818,054</u>

APPLICATION OF FUNDS

Repayment of advances on loan agreement received from Sumitomo Metal Mining Co. Limited of Canada	920,000	
Add: Interest	<u>13,886</u>	933,886
Head office administration		19,616
Financing expenses		13,260
Construction in progress	<u>733,937</u>	<u>1,700,699</u>
INCREASE IN WORKING CAPITAL		<u>117,355</u>
WORKING CAPITAL - JUNE 30, 1966		188,602
Increase in working capital		<u>117,355</u>
WORKING CAPITAL - AUGUST 31, 1966		<u>305,957</u>

APPROVED BY:


Director


Director

13. Number of shares held in escrow or in pool and a brief statement of the terms of escrow or the pooling agreement	Two hundred thousand shares of treasury stock previously purchased by Sumitomo are held in escrow by Davis, Hossie, Campbell, Brazier & McLorg, Barristers & Solicitors, 1030 West Georgia Street, Vancouver 5, British Columbia until the 11th day of August, 1967. Upon release from escrow the shares shall be marketed in an orderly manner through a member of an established stock exchange in Canada
14. Names and addresses of owners of more than a 5% interest in escrowed shares and their shareholdings (If shares are registered in the names of nominees or in street names, give names of beneficial owners, if possible.)	The Company is unaware of the identity of any persons or corporations holding a greater than 5% interest in Sumitomo Metal Mining Co., Ltd.
15. Names, addresses and shareholdings of five largest registered shareholders and if shareholdings are pooled or escrowed, so stating. If shares are registered in names of nominees or in street names, give names of beneficial owners, if possible, and if names are not those of beneficial owners, so state.	* J. P. Cannon & Co. Ltd., 372 Bay Street, Toronto 1, Ontario - 427,662 shares * Doherty Roadhouse & McCuaig Bros., 335 Bay Street, Toronto, Ontario - 406,259 shares ** Davis, Hossie, Campbell, Brazier & McLorg, 1030 West George Street, Vancouver 5, B.C. Attention: G. K. Fujisawa - 319,808 shares * James Richardson & Sons, 173 Portage Avenue East, Winnipeg, Manitoba - 228,815 shares Arnold Pitt, (beneficially owned) c/o New Imperial Mines Ltd., Suite 1022, 85 Richmond Street West, - 202,998 shares Toronto, Ontario * Beneficial ownership unknown ** Beneficial ownership - Sumitomo Metal Mining Co. Ltd.,
16. Names, and addresses of persons whose shareholdings are large enough to materially affect control of the company.	At present there are no person or persons whose share holdings are large enough to materially affect control of the Company. However, Sumitomo Metal Mining Co., Ltd. may be in a position to materially affect control of the Company if it exercises the right to convert \$1,600,000.00 of the senior financing which it advances to the Company, into shares of the Company at \$1.30 per share.
17. If assets include investments in the shares or other securities of other companies, give an itemized statement thereof showing cost or book value and present market value.	NOT APPLICABLE
18. Brief statement of any lawsuits pending or in process against company or its properties.	John Tregilges, a former employee of the Company has commenced an action to recover alleged agency commission payable to him for allegedly raising financing money for exploration. No specific sum is claimed and the Company is defending the action on the grounds that John Tregilges is not entitled to any sums whatsoever from the Company.
19. The dates of and parties to and the general nature of every material contract entered into by the company which is still in effect and is not disclosed in the foregoing.	See item 40 of Listing Statement 2243
20. Statement of any other material facts and if none, so state. Also state whether any shares of the company are in the course of primary distribution to the public.	None. The shares underwritten as described in item 6 will be in the course of primary distribution to the public together with the shares optioned if such options are exercised.

DATED September 20th, 1966.

CERTIFICATE OF THE COMPANY

The foregoing, together with the financial information and other reports where required, constitutes full, true and plain disclosure of all material facts in respect of the matters referred to in Item 1 above and in respect of the company's affairs and there is no further material information applicable. (To be signed by two principal signing officers who are directors and the corporate seal to be affixed.)

"A. Pitt"

"R.W. Macaulay"

CORPORATE
SEAL

CERTIFICATE OF UNDERWRITER OR OPTIONEE

To the best of my knowledge, information and belief, the foregoing, together with the financial information and the reports where required, constitutes full, true and plain disclosure of all material facts in respect of the matters referred to in Item 1 above in respect of the company's affairs. Concerning matters which are not within my knowledge, I have relied upon the accuracy and adequacy of the information supplied to me by the company. (To be signed by underwriter or optionee registered with the Ontario Securities Commission or a corresponding body.)

Midland-Osler Securities Limited

Walwyn, Stodgell & Co. Limited

Per: W.A. Stewart

Per: N.A. Mitchell

Moss, Lawson & Co. Limited

S. J. Brooks & Company

Per: T.S. O'Rourke

Per: S.J. Ellis

This Listing Statement is compiled by the Exchange from documents filed by the Company in making application for listing. It is issued for the information of members, member firms and member corporations of the Exchange. It is not and is not to be construed as a prospectus. The Exchange has received no consideration in connection with the issue of this Listing Statement other than the customary listing fee. The documents referred to above are open for inspection at the general office of the Exchange.

LISTING STATEMENT No. 2243

LISTED AUGUST 24, 1966
 7,500,000 shares without par value.
 Ticker abbreviation "NIM"
 Dial ticker number 1705
 Post section 7.6

THE TORONTO STOCK EXCHANGE

LISTING STATEMENT

NEW IMPERIAL MINES LTD.

The Company was incorporated under The Companies Act of the Province of Alberta by a Certificate of Incorporation issued on the 7th day of September, 1954, under the name of "Imperial Mines & Metals Ltd.". By a Certificate issued by the Registrar of Joint Stock Companies for the Province of Alberta on the 5th day of March, 1957, the name of the Company was changed to NEW IMPERIAL MINES LTD. The Company is registered as an Extra-provincial Company in the Province of British Columbia by a Certificate of Registration issued by the Registrar of Companies under the Companies Act on the 2nd day of September, 1960; as an Extra-territorial Company in the Yukon Territory by a Certificate of License issued by the Registrar of Joint Stock Companies under the provisions of the Companies Ordinance on the 15th day of February, 1961; and as an Extra-provincial Corporation in the Province of Ontario by a License issued by the Provincial Secretary under Part IX of The Corporations Act on the 12th day of July, 1965.

1. Address of the Company's Head Office and of any other offices:
 Head Office: c/o Miller, Miller and Witten, 10,156 101st Street, Edmonton, Alberta.
 Executive Office: Suite 1022, 85 Richmond Street West, Toronto, Ontario.
 Vancouver Office: Marine Building, 355 Burrard Street, Vancouver, British Columbia.
 Mine Office: P.O. Box 2380, Whitehorse, Yukon Territory.

2. Officers of the Company:

OFFICE HELD	NAME	ADDRESS	OCCUPATION
President	Arnold Pitt	5 Hill Garden Road, Weston, Ontario.	Professional Engineer
Secretary	David Baird Finlay	23 Forest Heights Blvd., Willowdale, Ontario.	Barrister and Solicitor
Treasurer	Raymond O. Hampton	7138 Angus Drive, Vancouver, B.C.	Chartered Accountant

3. Directors of the Company:

OFFICE HELD	NAME	ADDRESS	OCCUPATION
President and a Director	Arnold Pitt	5 Hill Garden Road, Weston, Ontario.	Professional Engineer
Vice-President and a Director	Gaylord Clinton Snell	1501 Stavebank Road, Port Credit, Ontario.	Executive
Vice-President and a Director	Robert William Macaulay	88 Elm Avenue, Toronto 5, Ontario.	One of Her Majesty's Counsel
Director	James Aubrey Simmons	1995 Mathers Avenue, West Vancouver, British Columbia.	Businessman
Director	Eric Gordon Lambert	134 Empress Avenue, Willowdale, Ontario.	Chartered Accountant
Director	Kenjiro Kawakami	2, 4 Chome, Denenchofu Ohtaku, Tokyo, Japan.	Mining Executive

OFFICE HELD	NAME	ADDRESS	OCCUPATION
Director	Toshio Mizuta	333-20 Tamagawa Setamachi, Setagaya-Ku, Tokyo, Japan.	Mining Executive
Director	Yoshiyuki Maruo	832 Westview Crescent, North Vancouver, British Columbia.	Mining Executive
Director	Patrick M. Reynolds	1411 Connaught Drive, Vancouver 9, British Columbia.	Chartered Accountant

4. Names and addresses of all transfer agents:

Canada Permanent Trust Company, with principal transfer office at 253 Bay Street, Toronto 1, Ontario, and co-transfer offices at 455 Granville Street, Vancouver, British Columbia, 315-8th Avenue West, Calgary, Alberta, and 600 Dorchester Boulevard West, Montreal, Quebec.

5. Particulars of any fee charged upon transfer other than customary government taxes:

Certificate issuance fee 50 cents per certificate.

6. Names and addresses of all registrars:

Canada Permanent Trust Company, 253 Bay Street, Toronto 1, Ontario.

7. Amount of authorized capital: \$6,500,000.00.

8. Number of shares and par value: 7,500,000 shares without nominal or par value.

9. Full details of all shares issued in payment for properties or for any other assets other than cash:

DATE	NO. SHARES	DESCRIPTION
1. September 7/54	81,237 (as presently constituted)	The Co. purchased the assets of Atominerals Explora- tion Ltd. for these shares and assumed certain liabilities of the latter Co. in the amount of \$2,281.93.
2. October 18/55	297,582.5 (as presently constituted)	The Co. purchased the assets of Rock Hill Uranium Ltd. for these shares.
3. August 24/56	5,000 (as presently constituted)	The Co. allotted these shares in connection with an option on certain property.
4. May 26/56	93,750 (as presently constituted)	For options to purchase properties.
5. March 5/57	750 (as presently constituted)	Issued for services.
6. December 31/60	140,500	Issued for services.
7. February 21/61	15,000	Issued for services.
8. June 27/61	5,500	Issued for equipment.
9. Year ended December 31/62	79,226	Issued for services.
10. May 10/63	26,850	Issued for services.
11. June 10/63	85,000	Issued as a bonus.
TOTAL		830,395.5

10. Full details of all shares sold for cash.

Prior to the re-organization of the capital structure of the Company on
March 5, 1957, 594,113.5 shares of the Company in the terms of its
present capitalization were issued for \$171,602.50

Shares sold for cash since re-organization are as follows:

DATE	NO. SHARES	PRICE	
1960	131,250	10¢	13,125.00
1961	356,500	10¢	35,650.00
1962	440,000	5¢	22,000.00
	110,000	5.9¢ approx.	6,494.99
	20,835	6¢	1,250.10
	164,762	7¢	11,533.34
	53,690	10¢	5,369.00
1963	28,570	7¢	1,999.90
	368,975	10¢	36,897.50
	200,000	15¢	30,000.00
	200,000	25¢	50,000.00
	400,000	30¢	120,000.00
	50,000	40¢	20,000.00
1964	200,000	35¢	70,000.00
	200,000	40¢	80,000.00
	200,000	45¢	90,000.00
	600,000	75¢	450,000.00
	200,000	\$1.00	200,000.00
1966	64,808	\$1.30	84,250.00
	55,000	\$1.65	90,750.00
	4,044,390		\$1,590,922.33

Prior to
re-organization

594,113.5
4,638,503.5

11. Total number of shares issued:	5,468,899
12. Number of shares now in treasury or otherwise unissued.	2,031,101
13. Particulars of any issued shares held in trust for the Company or donated for treasury purposes.	None
14. Date of last annual meeting.	June 30th, 1966
15. Date of last report to shareholders.	July 26th, 1966
16. Details of any treasury shares (or shares issued subject to payment or shares held for the benefit of the treasury) now under option or the subject of any underwriting or sales agreement. If none, this to be stated.	(a) By an agreement dated the 30th day of October, 1964, as amended by agreements dated the 16th day of December, 1964, and the 10th day of February, 1965, the Company granted to Arnold Pitt, the President of the Company, an option exercisable up to the 30th day of October, 1967, to purchase 150,000 treasury shares of the Company at the following prices: \$1.45 per share for all shares taken up to October 30th, 1965. \$1.90 per share for all shares taken up after October 30th, 1965, and prior to October 30th, 1966. \$2.15 per share for all shares taken up after October 30th, 1966. Any shares issued under this option are to be placed in escrow until the consent of the Quebec Securities Commission is obtained for the release of such shares. To the date of this Listing Statement, none of the optioned shares have been taken down by the optionee. (b) Under the terms of a Loan Agreement entered into between Sumitomo Metal Mining Co., Ltd., 12, 5-Chome Shimbashi, Minato-Ku, Tokyo, Japan, (hereinafter referred to as "Sumitomo") and the company, dated for reference the 15th day of March, 1966, the company has granted to Sumitomo the right to convert up to \$1.6 million of the said loan into shares of the company at the fixed price of \$1.30 per share as follows: \$300,000.00 on or before December 30, 1968. \$500,000.00 on or before December 30, 1969. \$800,000.00 on or before December 30, 1970. (c) Under the terms of an interim loan agreement made as of the 30th day of March, 1966, Sumitomo loaned the sum of \$450,000 Cdn., \$130,000 was repaid on July 29, 1966 leaving a balance unpaid of \$320,000. The \$320,000 is to be repaid from the proceeds of any underwriting done by the Company prior to September 27, 1966 or otherwise on September 27, 1966 in cash or by the issuance of shares from the treasury at the fixed price of \$1.20 per share.
17. Names and addresses of persons having any interest, direct or indirect, in underwritten or optioned shares or other securities or assignments, present or proposed.	None except as shown in item 16.
18. Details of any payments in cash or securities of the Company made or to be made to a promoter or finder in connection with a proposed underwriting or property acquisition.	None
19. Details of any shares pooled, deposited in escrow, non-transferable or held under any voting trust agreement, syndicate agreement or control.	Two hundred thousand shares of treasury stock previously purchased by Sumitomo are held in escrow by Davis, Hossie, Campbell, Brazier & McLorg, Barristers & Solicitors, 1030 West Georgia Street, Vancouver 5, British Columbia until the 11th day of August, 1967. Upon release from escrow the shares shall be marketed in an orderly manner through a member of an established stock exchange in Canada.
20. Names and addresses of owners of more than a 5% interest in pooled or escrowed shares and their shareholdings. (If shares are registered in the names of nominees or in street names, give names of beneficial owners, if possible.)	The Company is unaware of the identity of any persons or corporations holding a greater than 5% interest in Sumitomo Metal Mining Co., Ltd.

21. Names, addresses and shareholdings of five largest registered shareholders and if shareholdings are pooled or escrowed, so stating. If shares are registered in names of nominees or in street names, give names of beneficial owners, if possible, and if names are not those of beneficial owners, so state.	Shareholders List — June 3, 1966. <table> <tr> <td>** Doherty, Roadhouse & McCuaig Bros., 335 Bay Street, Toronto, Ontario.</td><td>431,759 shares</td></tr> <tr> <td>** J. P. Cannon & Co. Ltd., 372 Bay Street, Toronto, Ontario.</td><td>450,012 shares</td></tr> <tr> <td>* Arnold Pitt, c/o New Imperial Mines Ltd., Suite 1022, 85 Richmond Street West, Toronto 1, Ontario.</td><td>175,498 shares</td></tr> <tr> <td>** James Richardson & Son, 173 Portage Avenue East, Winnipeg, Manitoba.</td><td>226,149 shares</td></tr> <tr> <td>*** Davis, Hossie, Campbell, Brazier & McLorg, 1030 West Georgia Street, Vancouver 5, B.C.</td><td>319,808 shares</td></tr> </table> * Beneficially owned. ** Beneficial ownership unknown. *** Beneficial ownership Sumitomo Metal Mining Co., Ltd.	** Doherty, Roadhouse & McCuaig Bros., 335 Bay Street, Toronto, Ontario.	431,759 shares	** J. P. Cannon & Co. Ltd., 372 Bay Street, Toronto, Ontario.	450,012 shares	* Arnold Pitt, c/o New Imperial Mines Ltd., Suite 1022, 85 Richmond Street West, Toronto 1, Ontario.	175,498 shares	** James Richardson & Son, 173 Portage Avenue East, Winnipeg, Manitoba.	226,149 shares	*** Davis, Hossie, Campbell, Brazier & McLorg, 1030 West Georgia Street, Vancouver 5, B.C.	319,808 shares
** Doherty, Roadhouse & McCuaig Bros., 335 Bay Street, Toronto, Ontario.	431,759 shares										
** J. P. Cannon & Co. Ltd., 372 Bay Street, Toronto, Ontario.	450,012 shares										
* Arnold Pitt, c/o New Imperial Mines Ltd., Suite 1022, 85 Richmond Street West, Toronto 1, Ontario.	175,498 shares										
** James Richardson & Son, 173 Portage Avenue East, Winnipeg, Manitoba.	226,149 shares										
*** Davis, Hossie, Campbell, Brazier & McLorg, 1030 West Georgia Street, Vancouver 5, B.C.	319,808 shares										
22. Names and addresses of persons whose shareholdings are large enough to materially affect control of the Company.	At present there are no person or persons whose share holdings are large enough to materially affect control of the Company. However, Sumitomo Metal Mining Co., Ltd. may be in a position to materially affect control of the Company if it exercises the right to convert \$1,600,000.00 of the senior financing which it advances to the Company, into shares of the Company at \$1.30 per share.										
23. Details of any registration with or approval or authority for sale granted by or any filing with a Securities Commission or corresponding Government body.	By letter dated the 6th day of September, 1963, the Ontario Securities Commission accepted for filing under Section 38 of The Ontario Securities Act a Prospectus of the Company dated the 16th day of August, 1963. By letter dated the 13th day of November, 1963, the Ontario Securities Commission accepted for filing under Section 38 of The Ontario Securities Act, the Amending Prospectus dated October 31st, 1963. By letter dated the 29th day of January, 1964, the Quebec Securities Commission accepted for filing under the Quebec Securities Act a Prospectus of the Company dated October 31st, 1963. By letter dated the 15th day of November, 1963, the Alberta Securities Commission accepted for filing under Section 45 of The Securities Act 1955, Province of Alberta, a Prospectus of the Company dated October 31st, 1963. By letter dated the 5th day of December, 1963, the British Columbia Securities Commission accepted for filing under Part VII of the British Columbia Securities Act, 1962, a Prospectus of the Company dated October 31st, 1963. On the 14th day of January, 1964, the Newfoundland Securities Commission accepted for filing the Company's Prospectus dated October 31st, 1963. Subsequent to such acceptance by the above Securities Commissions, various amendments to the Prospectus originally filed and accepted were filed to keep the filings with such Commissions in good standing until September 28th, 1965.										
24. Has any application for registration with or approval or authority for sale by or any filing with a Securities Commission or corresponding Government body ever been refused, cancelled, suspended or revoked? If so, give particulars.	No										
25. Particulars of any bonds, debentures, notes, mortgages, charges, liens or hypothecations outstanding.	(a) A loan by Sumitomo of \$4,347,500.00 U.S. (anticipated to provide \$4,700,000.00 Canadian) to the company has been secured by bonds issued under a Deed of Trust and Mortgage in favour of The Canada Trust Company. The Deed of Trust and Mortgage constitutes a fixed and floating charge on all the properties, assets, goods and chattels of the company now owned or hereafter acquired. The said loan bears interest at the rate of 6% per annum or such other rate as may become applicable under the terms of the Loan Agreement, and is to be repaid from the operating profit of the Company as defined in the Loan Agreement in the following minimum amounts: 1. \$1,480,000.00 U.S. together with accrued and capitalized interest within three years of the production date as defined in the Loan Agreement. 2. A further \$1,480,000.00 U.S. plus accrued interest within four years of the production date as defined in the Loan Agreement.										

25 Continued —	3. The balance of the loan and accrued interest within five years of the production date as defined in the Loan Agreement and in any event by the 31st day of December, 1972. (b) The Company owns a house in Whitehorse known as Lot 2, Block 202, Plan No. 1096, Riverdale Subdivision on which there are two mortgages held by Central Mortgage and Housing Corporation bearing interest at 6¾ % and 7¾ % respectively. The total amount outstanding on the two mortgages as of June 30, 1966, was \$15,385.00. (c) The Company has applied for first mortgages from Central Mortgage and Housing Corporation to cover the erection of residential homes on nine building lots owned by the Company and located in the Riverdale Subdivision in the Town of Whitehorse, Yukon Territory. (d) For particulars of certain First Mortgage Bonds which are to be issued and sold by the Company to The Toronto-Dominion Bank, reference is made to paragraph 40 below.
26. If assets include investments in the shares or other securities of other companies, give an itemized statement thereof showing cost or book value and present market value.	None
27. Enumerate fully each of the following property classifications, giving claim or property numbers, approximate acreage, townships and mining camp or oil field: (a) Properties owned where titles vested in Company. (b) Properties leased. (c) Properties otherwise held. Give particulars of title held by the Company in each instance (e.g. patented, unpatented, Crown granted, held under mining license, perpetual lease, etc.)	(Refer to Schedule 27 (a) on Pages 9, 10 and 11). None (Refer to Schedule 27 (c) on Pages 11 and 12).
28. Full particulars of any royalties or other charges payable upon production from each individual property.	See Schedule 27 (a) on Page 9 re the Bornite 1 and 2, Prince 1 to 10 and Oro 1 to 5 mineral claims, and see Schedule 27 (c) (1) on Page 11 re the Emily 1 and 2, Gladys 3 and 4, Mabel 5 and 6 and George 7 and 8 claims.
29. Names and addresses of vendors of any property or other assets intended to be purchased by the Company showing the consideration to be paid.	See Schedule 27 (c) on Pages 11 and 12.
30. Names and addresses of persons who have received or will receive a greater than 5% interest in the shares or other consideration to be received by the vendor. If the vendor is a limited company, the names and addresses of persons having a greater than 5% interest in the vendor company.	See Schedule 27 (c) on Pages 11 and 12.
31. Are any lawsuits pending or in process against the Company or any of its properties, or are there any other circumstances which might affect the Company's position or title adversely? If so explain fully.	John Tregilges, a former employee of the Company has commenced an action to recover alleged agency commission payable to him for allegedly raising financing money for exploration. No specific sum is claimed and the Company is defending the action on the grounds that John Tregilges is not entitled to any sums whatsoever from the Company.

32. Describe plant and equipment on property or properties.	The Company owns the following equipment which is located on the properties: 8 Trucks 1 Bulldozer 1 Loader 8 Cemestos Houses 6 Drills 3 Compressors 1 Mucking machine - Surveying, drafting and laboratory equipment - Office equipment
33. Describe all development accomplished and planned.	The Company is establishing on its properties an open pit mining operation for the production of copper concentrates and erecting thereon a mill with a capacity of up to 2,500 tons per day and all other necessary equipment.
34. Date and author of mining or petroleum engineer's or geologist's report filed with this application and available for inspection on request.	Reports of Dr. A. C. Skerl, P. Eng., dated the 25th day of November, 1965, J. A. C. Ross, P. Eng., dated 3rd December, 1965, and L. F. Wright, P. Eng., dated the 3rd day of December, 1965, annexed hereto.
35. Full particulars of production to date.	None within recent years.
36. Have any dividends been paid? If so, give date, per share rate, and amount paid in dollars on each distribution.	No
37. Name and address of the solicitor or attorney whose certificate that the applicant is a valid and subsisting company and that the shares which have been allotted and issued were legally created and are fully paid and non-assessable has been filed with the Exchange.	Fenerty, Fenerty, McGillivray, Robertson, Prowse, Frennan & Fraser, 13th floor, Elveden House, Calgary, Alberta; and Thomson, Rogers, 2200 Richmond-Adelaide Centre, 120 Adelaide Street West, Toronto 1, Ontario.
38. (a) Have any shares of the Company ever been listed on any other stock exchange? If so, give particulars. (b) Is any application for listing the shares of the Company on any other stock exchange now pending or contemplated? If so, give particulars. (c) Has any application for listing of any shares of the Company ever been refused or deferred by any stock exchange? If so, give particulars.	Yes - Canadian Stock Exchange, Vancouver Stock Exchange and Calgary Stock Exchange. No Yes - listing deferred by Toronto Stock Exchange on April 14th, 1964.
39. Particulars of the principal business in which each officer and director has been engaged during the past five years, giving the length of time, position held and name of employing company or firm.	Particulars of the principal business in which each officer and director has been engaged during the past five years are as follows: ARNOLD PITT — Professional Engineer. December 1962 to present — President of New Imperial Mines Ltd. Prior to December, 1963 — Consultant to Russell Industries Limited, Toronto, Ontario. GAYORD CLINTON SNELL — President, Canadian Folding Cartons Limited, Toronto, Ontario. ROBERT WILLIAM MACAULAY — One of Her Majesty's Counsel. 1963 to present — Thomson, Rogers, Barristers & Solicitors, Toronto, Ontario. Prior to 1963 — McLaughlin, Macaulay, May & Soward, Barristers & Solicitors, Toronto, Ontario. 1961 to 1963 — Minister of Economics and Development and of Energy Resources in the Ontario Government.

JAMES AUBREY SIMMONS — President of Arctic Mining and Exploration Limited, Vancouver, British Columbia. 1962 to July, 1964 — General Manager and Director, New Imperial Mines Ltd. 1959 to 1962 — President and Director of Arctic Shipping Limited, Edmonton, Alberta; President and Director, New Imperial Mines Ltd.

ERIC GORDON LAMBERT — Vice-President of Finance, Canada Wire & Cable Company Ltd., Toronto, Ontario. Prior to December, 1963 — Special Assistant to Vice-President of Finance, Rio Algom Mines Limited.

PATRICK M. REYNOLDS — President of Bethlehem Copper Corporation Ltd., Vancouver, British Columbia. October 1, 1964 to June 25, 1966 — Financial Counsellor and Secretary-Treasurer of Bethlehem Copper Corporation Ltd. Previous to October 1, 1964 — Senior Partner of Reynolds, Anderson, Chartered Accountants, Vancouver, British Columbia and at the same time Secretary-Treasurer of Bethlehem Copper Corporation Ltd.

KENJIRO KAWAKAMI — President, Representative Director of Sumitomo Metal Mining Co., Ltd., Tokyo, Japan. May, 1958 to May, 1962 — Senior Managing Director of Sumitomo Metal Mining Co., Ltd., Tokyo, Japan.

TOSHIO MIZUTA — Managing Director of Ataka and Co., Ltd., Tokyo, Japan. May, 1960 to October, 1963 — Director of Ataka and Co., Ltd., Tokyo, Japan.

YOSHIYUKI MARUO — Vice-President and Treasurer of Sumitomo Metal Mining Co. of Canada Ltd., Vancouver, British Columbia. May, 1965 to April, 1966 — Chief Representative in Vancouver of Sumitomo Metal Mining Co., Ltd., Vancouver, British Columbia. July, 1961 to May, 1965 — Chief of Planning and Control Department of Besshi Copper Mines of Sumitomo Metal Mining Co., Ltd.

DAVID BAIRD FINLAY — Secretary of New Imperial Mines Ltd. Barrister and Solicitor, Thomson, Rogers, Barristers & Solicitors, Toronto, Ontario. March, 1962 to August, 1964 — Secretary and Legal Officer, Procor Limited, Oakville, Ontario. Prior to March, 1962 — Otton and Finlay, Barristers & Solicitors, Newmarket, Ontario.

RAYMOND O. HAMPTON — Treasurer and Comptroller of New Imperial Mines Ltd., Vancouver, British Columbia. October 1, 1964 to May 15, 1966 — Staff Accountant of McDonald, Currie & Co., Vancouver, British Columbia. November 1, 1963 to September 1, 1964 — Staff Accountant of Reynolds, Anderson & Co., Vancouver, British Columbia. January 15, 1959 to November 1, 1963 — Articled Student - Reynolds, Anderson & Co., Vancouver, British Columbia.

40. The dates of and parties to and the general nature of every material contract entered into by the Company which is still in effect and is not disclosed in the foregoing.

Except for management contracts, do not include particulars of any contract entered into in the ordinary course of business carried on or intended to be carried on by the Company.

The Company has entered into an agreement (hereafter referred to as the "Loan Agreement") with Sumitomo dated for reference only the 15th day of March, 1966, under which Sumitomo will provide \$4,347,500.00 U.S., equivalent to \$4,700,000.00 Canadian to bring the Company's Whitehorse properties into production. Interest is to be paid at 6% semi-annually (subject to adjustment) on the amount outstanding, such interest to be capitalized while the First Mortgage Bonds referred to below are outstanding. The properties are to be developed in accordance with a feasibility study prepared by Wright Engineers Limited of Vancouver which provides for an open pit mining operation and the establishment of a mill with a minimum rated capacity of up to 2,500 short tons per day.

The \$4,700,000.00 Cdn., together with interest is to be repaid to Sumitomo within five years from the date of production and in any event not later than December 31st, 1972. Reference is made to paragraph 16(b) as to Sumitomo's rights of conversion. Until all sums owing to Sumitomo are repaid the working capital and capital expenditures of the Company are restricted and the Company cannot borrow, underwrite or declare dividends without the consent of Sumitomo. As security for repayment of all monies owing to Sumitomo, the Company has issued to Sumitomo bonds in the amount of \$4,347,500.00 U.S., equivalent to \$4,700,000.00 Cdn., secured by a Deed of Trust and Mortgage covering all the fixed and floating assets of the Company. To date \$536,875.00 Cdn., has been advanced under the Loan Agreement.

The Company, pursuant to the Loan Agreement, has agreed to sell to Ataka & Co. Ltd., a company incorporated under the laws of Japan and having its principal office at 14, 5-chome, Imabashi, Higashiku, Osaka, Japan, and C. Itoh & Co. Ltd., a company incorporated under the laws of Japan and having its principal office at 36 Honmachi, 2-chome, Higashiku, Osaka, Japan, as nominees of Sumitomo, all the concentrates containing copper, gold and silver produced from the Whitehorse properties of the Company for a period of ten years from the date of production, at a price based upon the E & MJ export price with respect to the copper.

The Company has entered into an agreement with The Toronto-Dominion Bank to purchase First Mortgage Bonds in the amount of \$2,544,000.00 U.S. Funds, said Bonds to bear interest at the rate of 7¾% per annum payable quarterly and to be fully matured on June 30, 1969. These bonds will be purchased after the \$4,700,000.00 loaned by Sumitomo has been fully advanced. The Deed of Trust and Mortgage securing the bonds will rank in priority to the Deed of Trust and Mortgage securing the Sumitomo bonds.

The Company has made provision for a further \$500,000.00 to be loaned to the Company in the event that an over-run occurs and such funds are required to complete the project.

41. Any other material facts not disclosed in the foregoing.

None

42. **STATEMENT SHOWING DISTRIBUTION OF ISSUED CAPITAL**

as of 18th January, 1966

FREE STOCK	Shares	Shares
(a) Distributed and in the hands of the public (exclusive of the promoters, officers and directors of the Company and their agents or trustees).	4,537,191	
(b) Distributed and in the hands of the promoters, officers and directors of the Company and their agents or trustees.	611,900	
Total free stock		5,149,091
ESCROWED OR POOLED STOCK		
(c) Held in escrow or pool as set out in Item 19 of this application.		200,000
Total issued capital		5,349,091 *
RECORD OF SHAREHOLDERS		
Number of registered shareholders holding shares in class (a) above		2,810
Number of registered shareholders holding shares in class (b) above		8
Number of registered shareholders holding shares in class (c) above		none

43. **STATEMENT SHOWING NUMBER OF SHAREHOLDERS**

as of 18th January, 1966

Number	Shares
842 Holders of 1 — 100 shares	64,900
177 " " 101 — 1000 "	298,148
1,597 " " 1001 — 2000 "	1,078,213
53 " " 2001 — 3000 "	140,578
27 " " 3001 — 4000 "	101,364
26 " " 4001 — 5000 "	123,612
96 " " 5001 — up "	3,542,276
2,818 Stockholders	Total Shares 5,349,091 *

* Subsequent to January the 18th, 1966, 119,808 shares were issued to Davis, Hossie, Campbell, Brazier & McLorg as nominees of Sumitomo Metal Mining Co. Ltd., bringing the total number of issued shares to 5,468,899 as shown in item 11.

Dated at Toronto, Ontario, the 4th day of August, 1966.



NEW IMPERIAL MINES LTD.

"ARNOLD PITT", President.

"DAVID B. FINLAY", Secretary.

WHITEHORSE MINING DISTRICT, YUKON TERRITORY

12 Crown Grants
299 Mineral Claims

The Company holds the following mineral claims and Crown grants:

WHITEHORSE MINING DISTRICT, YUKON TERRITORY

NAME	GRANT NOS.
Angela 1 to 4 inclusive	76404 to 76407 inclusive
Mac 1 to 8 inclusive	76387 to 76394 inclusive
Della 9 to 16 inclusive	76408 to 76411 inclusive and 85271 to 85374 inclusive
Tess 1 to 6 inclusive	76395 to 76400 inclusive
Ken 1	76403
Bill 1 to 8 inclusive	76770 to 76777 inclusive
Kohler 1 to 3 inclusive	76780 to 76782 inclusive
Sue 9 to 16 inclusive	75717 to 75724 inclusive
Geno 1 to 10 inclusive	75972 to 75979 and 76401 to 76402 inclusive
Peter 1 and 2	76778 and 76779
Dorothy 2	76179
Margaret 1	76178
Betty 3	76180
Bonzo Fraction	72699
Zoe 4	76181
Parke 1 to 3 inclusive	77664 to 77666 inclusive
Ley Fraction 1 to 4 inclusive	82027 to 82030 inclusive
Snell 1 to 10 inclusive	85067 to 85076 inclusive
Lil 1	85565
Jan 1	85566
New 1 to 8 inclusive	90373 to 90380 inclusive
Simmons 1 to 8 inclusive	85077 to 85084 inclusive
Pitt 1 to 3 & Pitt Fraction 4	85085 to 85088 inclusive
Rapuzzi 1 to 4 inclusive	85107 to 85110 inclusive
Skerl 1 to 14 inclusive	85747 to 85760 inclusive
Todd 1 and 2	85761 and 85762
Ace 1 to 6 inclusive	85422 to 85427 inclusive
Ace 1 to 49 inclusive	85428 to 85451 inclusive and 85472 to 85480 inclusive and 85452 to 85467 inclusive
Acme 1 to 16 inclusive	85481 to 85496 inclusive
Jim 1 to 38 inclusive	85329 to 85366 inclusive
Peter 1 to 4 inclusive	85743 to 85746 inclusive
Whitehorse No. 1	85846
Goldengate No. 1	85847
It 1 to 6 inclusive	85848 to 85853 inclusive
Mo 1 to 19 inclusive	85854 to 85872 inclusive
Sanson #1 Fraction	91055
Sue 1 to 4 inclusive	75653 to 75656 inclusive
Denis Fraction 1, 2 to 5 inclusive, 6	91274 and 91288 to 91291 inclusive and 91466
Archie Fraction 1 to 6 inclusive	91853 to 91858 inclusive
Gem 1 to 3 inclusive	75221, 75346 and 75474
Bornite 1 to 2 inclusive	73783 to 73784 inclusive
Prince 1	75752
Prince 2	75757
Prince 3	75753
Prince 4	75758
Prince 5	75754
Prince 6	75759
Prince 7	75755
Prince 8	75760
Prince 9	75756
Prince 10	75761
Oro 1 to 3 inclusive	73893 to 73895 inclusive
Oro 4 to 5 inclusive	73896 to 73897 inclusive

CROWN GRANTED QUARTZ MINING CLAIMS

BEST CHANCE

— being Lot forty-eight (48), in Group Five (5) in the Yukon Territory, as shown on a plan or survey of record in the Canada Land Surveys Records in the Department of Mines and Technical Surveys at Ottawa under Field Book No. 6657 containing an area of 42.67 acres more, saving and expecting therefrom the following:
Firstly — a strip of land 100 feet in width across said Lot 48 being fifty feet on rock side of the centre of the British Yukon Railway as now located and;
Secondly — the southerly 1.96 acres of the said Lot 48.

VERONA

— being Lot 115, Group 5, Yukon Territory and being Grant No. 11996, together with all rights and privileges appurtenant thereto and subject to such reservations thereout as are set forth on and are more particularly described in Certificate of Title No. 127 "DD".

COPPER KING

— being Lot 71, Group 804, Yukon Territory and being Grant No. 16434, together with all rights and privileges appurtenant thereto, and subject to such reservations thereout as are set forth on and are more particularly described in Certificate of Title No. 128 "DD".

COPPER QUEEN

— being Lot 73, Group 804, Yukon Territory and being Grant No. 8976, together with all rights and privileges appurtenant thereto, and subject to such reservations thereout as are set forth on and are more particularly described in Certificate of Title No. 129 "DD".

LITTLE JONNIE

— being Lot 129, Group 5, Yukon Territory and being Grant No. 11992, together with all rights and privileges appurtenant thereto, and subject to such reservations thereout as are set forth on and are more particularly described in Certificate of Title No. 130 "DD".

WAR EAGLE

— being Lot No. 58, Group 5, Yukon Territory and being Grant No. 9158, together with all rights and privileges appurtenant thereto, and subject to such reservations thereout as are set forth on and are more particularly described in Certificates of Title No. 131 "DD" and No. 125 "DD".

LE ROI

— being Lot No. 59, Group 5, Yukon Territory and being Grant No. 9301, together with all rights and privileges appurtenant thereto, and subject to such reservations thereout (including that portion of the said Lot held by The British Yukon Railway Company under Certificate of Title No. 228 "N"), as are set forth on and are more particularly described in Certificate of Title No. 132 "DD".

LE ROI EXTENSION

— being Lot 60, Group 5, Yukon Territory and being Grant No. 9353, together with all rights and privileges appurtenant thereto, and subject to such reservations thereout as are set forth on and are more particularly described in Certificates of Title No. 133 "DD" and No. 126 "DD".

ARCTIC CHIEF

— being Lot 51, Group 5, Yukon Territory and being Grant No. 7280, together with all rights and privileges appurtenant thereto, and subject to such reservations thereout as are set forth on and are more particularly described in Certificate of Title No. 130 "DD".

EMPRESS OF INDIA

— being Lot 61, Group 5, Yukon Territory and being Grant No. 8796, together with all rights and privileges appurtenant thereto, and subject to such reservations thereout (including that portion of the said Lot held by The British Yukon Railway Company under Certificate of Title No. 228 "N"), as are set forth on and are more particularly described in Certificate of Title No. 123 "DD".

GRAFTER

— being Lot 63, Group 5, Yukon Territory and being Grant No. 8770, together with all rights and privileges appurtenant thereto and subject to such reservations thereout as are set forth on and are more particularly described in Certificate of Title No. 124 "DD", and, upon amendment of the said certificate as in the annexed agreement provided, including the right to all minerals within the meaning of the regulations for the disposal of Quartz Mining Claims on Dominion Lands, within, upon and under the said Lot, but not including coal and coal mines and any placer mines already located or which may be located thereon.

IRON HORSE

— being Lot 145, Group 5, Yukon Territory and being Grant No. 12014, together with all rights and privileges appurtenant thereto, and subject to such reservations thereout as are set forth on and are more particularly described in Certificate of Title No. 421 "JJ".

The mineral claims with the exception of Sue 1 to 4 and Gem 1 to 3 and Bornite 1 to 2, Prince 1 to 10 and Oro 1 to 5 were all staked by the company. The mineral claims and Crown Grants owned by the company are carried on the books of the company at a cost of \$190,870.00 as of the 30th day of June, 1966. The mineral claims are held by the company on an annual renewable basis.

By agreement dated the 29th day of June, 1956, between the executors of the Estate of Angus D. MacKinnon, deceased, of Goose River, Kings County, Prince Edward Island, the company purchased the Best Chance Crown Grant, being Lot No. 48, Group No. 5, Yukon Territory, for \$5,000.00.

Under the terms of an option agreement dated the 23rd day of August, 1963, the company purchased from W. B. Green, O. O. Henderson and D. J. MacIsaac, all of Whitehorse, Yukon Territory, the Sue 1 to 4 and Gem 1 to 3 mineral claims for \$12,000.00.

Under the terms of an option agreement dated the 6th day of May, 1964, the company purchased from Charles Alfred Gibbons, Peter Verslucce and Harry Verslucce, all of Whitehorse, Yukon Territory, the Bornite 1 and 2, Prince 1 to 10 inclusive and Oro 1 to 5 inclusive mineral claims for \$85,594.17. The claims are subject to a royalty of 10% of net profit on gallium mined and processed therefrom.

By an agreement dated the 1st day of December, 1960, Joseph Theodore Sparling (hereinafter called "Sparling") of 1295 Acadia Road, Vancouver, British Columbia, assigned to the company all his right, title and interest in an option agreement dated the 28th day of March, 1956, made between Aubrey Simmons of the City of Whitehorse, Yukon Territory, both as executor of the estate of Ruth Marien Lowe, deceased, and as executor of the estate of Robert Lowe, deceased, and the said Sparling (which agreement is hereinafter referred to as the "Lowe Agreement"), covering the following Crown granted mineral claims located in the Whitehorse Mining District:

Verona
Copper King
Copper Queen
Little Jonnie
War Eagle
Le Roi
Le Roi Extension
Arctic Chief
Empress of India
Grafter
Iron Horse

Schedule 27 (a) Continued —

In March 1956 Sparling agreed with the company to transfer to the company all his interests in certain options to acquire properties in the Whitehorse Mining District, Yukon Territory, including the Lowe Agreement for \$17,500.00 and the issuance of 375,000 fully paid and non-assessable shares of the capital of the company. The cash consideration payable was waived by Sparling. The share consideration when issued was given no value on the books of the company.

These shares are now represented by 93,750 shares of the share capital of the company as presently constituted.

The Lowe Agreement has been amended by an extension agreement entered into on the 18th day of March, 1966 between Aubrey Simmons as executor aforesaid and the company, which provides that the remaining \$71,500.00 due under the Lowe Agreement, together with interest thereon at 6% per annum from March 28th, 1966 shall be payable on July 15th, 1966. This option has now been exercised in full.

Schedule 27 (c) — See Page 5.

WHITEHORSE MINING DISTRICT, YUKON TERRITORY

Held under option —

10 Crown Grants
90 Mineral Claims

The company has under option the following properties:

- (1) By an option agreement between George Thomas Simmons, Carcross, Yukon Territory and this Company, dated the 22nd day of September, 1961, as amended by extension agreements dated the 21st day of February 1963, 15th day of August, 1963, the 27th day of August, 1965 and the 23rd day of March, 1966 the Company has an option to purchase the following mineral claims located in the Whitehorse Mining District:

NAME	GRANT NOS.
Emily 1	75709
Emily 2	75710
Gladys 3	75711
Gladys 4	75712
Mabel 5	75713
Mabel 6	75714
George 7	75715
George 8	75716

The purchase price is \$40,000.00. The Company has paid \$15,000.00 to date and the balance of \$25,000.00 is payable as follows:

\$5,000.00 on October 30th, 1966.

\$10,000.00 on April 30th, 1967, together with interest thereon at 6% per annum from April 30th, 1966.

\$10,000.00 on October 30th, 1967, together with interest thereon at 6% per annum from October 30th, 1966.

These claims are subject to a royalty which shall not exceed 10% of the net profit on the gallium mined and processed therefrom.

- (2) By an option agreement between E. Marion Warren, P.O. Box 2256, Whitehorse, Yukon Territory, and the Company, dated the 27th day of August, 1965, the Company has an option to purchase the following mineral claims located in the Whitehorse Mining District:

NAME	GRANT NOS.
Zircon 1 to 3 inclusive	64182 to 64184 inclusive
Zircon 4 to 6 inclusive	74157, 74158 and 76412

The purchase price is \$29,500.00. The Company has paid \$5,000.00, and the balance of \$24,500.00 is payable as follows:

\$10,000.00 by January 31st, 1967

\$14,500.00 by January 31st, 1968

- (3) By an option agreement between Beadak Mines Limited, a company incorporated under the Companies Ordinance of the Yukon Territory, and having an executive office at 621 Columbia Building, Spokane, Washington, United States of America, and the Company, dated the 30th day of September, 1961, the Company has an option to purchase the following Crown granted mineral claims located in the Whitehorse Mining District:

NAME	CROWN LOT NOS.
Pueblo 1	54
Pueblo 2	78
Pueblo 3	79
Pueblo 4	80
Pueblo 5	81
Pueblo Extension	82
Pueblo Star	83
Blue Bell	64
Carlisle	49
Tamarac	50

In addition, the said agreement covers the Retribution Crown granted claim if title of the Optionor can be proved.

The purchase price is \$90,000.00. The Company has paid \$12,000.00 and the balance of \$78,000.00 is payable on the 30th day of September, 1966.

There is some doubt as to the title of the Optionor to the Blue Bell mining claim. By agreement dated the 16th day of March, 1962, the parties agreed that if good title to this claim cannot be delivered, the total purchase price will be reduced by \$5,000.00 to be deducted from the final payment.

- (4) By an option agreement between Harold Clarence Fromme, Whitehorse, Yukon Territory and the Company dated the 31st day of December, 1964, the Company holds an option to purchase the following mineral claims located in the Whitehorse Mining District:

Schedule 27 (c) Continued —

NAME	GRANT NOS.
Jean 1 to 30 inclusive	85372 to 85387 and 85408 to 85421 inclusive
Jean 31 to 36 inclusive	85839 to 85844 inclusive
Jean 41 to 42 inclusive	90267 to 90268 inclusive

The purchase price is \$200,000.00 of which \$2,000.00 has been paid and the balance of \$198,000.00 is payable as follows:

\$38,000.00	by November 1, 1967
\$40,000.00	by November 1, 1968
\$40,000.00	by November 1, 1969
\$40,000.00	by November 1, 1970
\$40,000.00	by November 1, 1971

- (5) Under a Letter of Intent with George Thomas Simmons, Carcross, Yukon Territory, and the Company dated the 30th day of September, 1965, the Company has been granted an option to purchase the following thirty-six quartz mineral claims and two fractions located in the Whitehorse Mining District:

NAME	GRANT NOS.
Bob 1 to 6 inclusive	76092 to 76097 inclusive
Blackie 1, 3 & 5 to 10 inclusive	75988 to 75995 inclusive
Cameron 1 to 6 inclusive	75982 to 75987 inclusive
Emidell 1 to 8 inclusive	91593 to 91600 inclusive
Emidell 9 to 13 inclusive	91824 to 91828 inclusive
Emidell 14 to 16 inclusive	91879 to 91881 inclusive
Emidell Fraction No. 17	
Emidell Fraction No. 18	

The option agreement contains the following terms:

- (a) The purchase, lease or royalty basis shall be negotiated within a period of 18 months from the date of the agreement to the mutual satisfaction of both parties.
- (b) The Company agrees to maintain the claims and fractions in good standing during the currency of the agreement; all assessment work requirements to be completed at least one week prior to the expiry date of the said claims and fractions.
- (c) During the currency of the option the Company may enter upon the said claims and fractions for the purpose of conducting examinations, provided that all information and results of drilling, cores, etc., will be given to the said George Thomas Simmons upon request.

FINANCIAL STATEMENTS

NEW IMPERIAL MINES LTD.

BALANCE SHEET AS AT JUNE 30, 1966

ASSETS

CURRENT ASSETS:

Cash	\$ 90,215	
Investment in short term deposit receipts	300,000	
Accounts receivable	3,506	
Prepaid expenses and deposits	<u>4,276</u>	\$ 397,997

FIXED ASSETS (note 3):

Mine buildings	8,063	
Land and residence	24,645	
Equipment	100,417	
Mining properties (note 2)	190,870	
Mining properties under option		
to purchase (note 1)	\$ 359,500	
Less: Options payable	<u>325,500</u>	34,000
Construction in progress	<u>218,132</u>	576,127

DEFERRED EXPENDITURES:

Preproduction and development expense	1,365,146	
General and administrative expense	332,703	
Incorporation and organization expense	<u>4,375</u>	1,702,224
		<u>\$2,676,348</u>

LIABILITIES

CURRENT LIABILITIES:

Accounts payable and accrued liabilities	\$ 209,395
--	------------

LOAN FROM A SHAREHOLDER WITH INTEREST AT 7¼ % (note 4)	950,000
--	---------

MORTGAGES PAYABLE BY MONTHLY INSTALMENTS

TO 1993 WITH INTEREST AT 6¾ % AND 7¾ %	15,385	
Less: Payments due within one year included in		
current liabilities	<u>400</u>	14,985

SHAREHOLDERS' EQUITY

CAPITAL STOCK:

Authorized —
7,500,000 shares of no par value
(notes 4, 5 and 6)

Issued and fully paid — (note 7)

5,468,899 shares	2,104,185
------------------------	-----------

DEFICIT	<u>602,217</u>	1,501,968
		<u>\$2,676,348</u>

Signed on behalf of the Board:

“ARNOLD PITT”, President and Director.

“R. MACAULAY”, Director.

NEW IMPERIAL MINES LTD.
STATEMENT OF DEFICIT
FOR THE PERIOD FROM SEPTEMBER 7, 1954
(Date of Incorporation)
TO JUNE 30, 1966

Acquisition costs of uranium properties in the Beaverlodge Lake area of Saskatchewan written off —			
Atominerals properties		\$	83,519
Rock Hill Uranium properties			387,009
Strike Group properties			50,025
			<u>520,553</u>
Expenditures thereon since acquisition written off —			
Preproduction and development expenses	\$ 21,514		
General and administrative expenses	27,567		49,081
			<u>569,634</u>
Development costs of the Surinam concession abandoned and written off			13,893
			<u>583,527</u>
Option payments forfeited to the company			7,500
Balance — October 31, 1963			<u>576,027</u>
Option payments forfeited by the company			3,200
Balance — May 31, 1964			<u>579,227</u>
Loss on sale of automobile	698		
Transfer of depreciation from:			
Preproduction and development expense	\$ 21,380		
General and administrative expense	160	21,540	
Option payments on properties written off		752	22,990
Balance — JUNE 30, 1966			<u><u>602,217</u></u>

STATEMENT OF GENERAL AND ADMINISTRATIVE EXPENSE
FOR THE PERIOD FROM SEPTEMBER 7, 1954
(Date of Incorporation)
TO JUNE 30, 1966

	Period from Sept. 7, 1954 to March 31, 1966	April 1, 1966 to June 30/66	Balance June 30, 1966
Management salaries	\$ 49,226	\$ 2,238	\$ 51,464
Travelling and subsistence	41,782	5,176	46,958
Salaries and wages	17,839	2,299	20,138
Postage, printing and stationery	10,431	1,798	12,229
Advertising	18,236	3,406	21,642
Rent	7,889	1,002	8,891
Telephone and telegraph	16,833	3,350	20,183
Registration and transfer fees	23,258	2,473	25,731
Underwriting expense	18,236	—	18,236
Professional fees	23,515	2,627	26,142
Bank charges	621	287	908
Unemployment Insurance	385	26	411
Legal costs	56,994	—	56,994
Interest	4,034	—	4,034
General office expense	3,850	1,903	5,753
Automobile	1,623	100	1,723
Business taxes	298	133	431
Depreciation	160	—	160
License fees and registration	2,660	—	2,660
Secretarial fees	9,150	—	9,150
Shareholders' meeting expense	7,377	879	8,256
Miscellaneous	6,568	118	6,686
	<u>320,965</u>	<u>27,815</u>	<u>348,780</u>
Interest earned	15,602	315	15,917
	<u>305,363</u>	<u>27,500</u>	<u>332,863</u>
Transfer to deficit — depreciation	160	—	160
	<u><u>\$305,203</u></u>	<u><u>\$27,500</u></u>	<u><u>\$332,703</u></u>

NEW IMPERIAL MINES LTD.
STATEMENT OF PREPRODUCTION AND DEVELOPMENT EXPENSE
FOR THE PERIOD FROM SEPTEMBER 7, 1954
(Date of Incorporation)
TO JUNE 30, 1966

	Period from Sept. 7, 1954 to March 31, 1966	April 1, 1966 to June 30/66	Balance June 30, 1966
Salaries and wages	\$ 171,702	\$ 13,556	\$ 185,258
Field pension expense	233	555	788
Subcontract field work	1,969	—	1,969
Engineering and geological reports	153,519	16,359	169,878
Assays	15,955	—	15,955
Travelling, Transportation and subsistence	14,065	4,593	18,658
Explosives and field supplies	39,913	—	39,913
Surveys and maps	56,527	(2,056)	54,471
Cookhouse supplies	11,526	—	11,526
Room and board	1,553	—	1,553
Licences and permits	1,197	—	1,197
Workmens Compensation	3,082	—	3,082
Unemployment Insurance	811	159	970
Equipment rental, repair and expense	54,282	(3,649)	50,633
Insurance	5,138	—	5,138
Storage	406	—	406
Freight and express	7,780	—	7,780
Field office expense	15,510	4,495	20,005
Field taxes	368	—	368
Recording fees	8,458	—	8,458
Diamond drilling	643,933	2,303	646,236
Road construction	5,479	74,121	79,600
Depreciation	21,380	—	21,380
Rotary drilling	6,432	—	6,432
Development contracts	6,066	—	6,066
Shaft construction	196	—	196
Building maintenance	9,314	—	9,314
Lease rentals	70	—	70
Clearing and grubbing	—	5,845	5,845
Lake drainage	—	1,308	1,308
Overburden Stripping	—	6,969	6,969
Waste rock stripping	—	3,106	3,106
Crude ore stockpile	—	2,639	2,639
	<u>1,256,864</u>	<u>130,303</u>	<u>1,387,167</u>
Sundry recoveries	641	—	641
	<u>1,256,223</u>	<u>130,303</u>	<u>1,386,526</u>
Transfer to deficit — depreciation	21,380	—	21,380
	<u>\$1,234,843</u>	<u>\$130,303</u>	<u>\$1,365,146</u>

NOTES TO FINANCIAL STATEMENTS
FOR THE PERIOD FROM SEPTEMBER 7, 1954
(Date of Incorporation)
TO JUNE 30, 1966

- To maintain the options which the company holds on various mining properties in good standing the following payments are required to be made:

1966	\$ 83,000
1967	68,000
1968	54,500
1969	40,000
1970	40,000
1971	40,000
	<u>\$325,500</u>

If the optionor's title to one mining claim has not been clearly established the above amount of \$83,000 for 1966 will be reduced by \$5,000.

- The cost of mining properties consists of the cost of thirty-six mining claims for \$186,664 cash and cash payments totalling \$4,206 made to stake an additional 275 claims.

NEW IMPERIAL MINES LTD.

NOTES TO FINANCIAL STATEMENTS

FOR THE PERIOD FROM SEPTEMBER 7, 1954

(Date of Incorporation)

TO JUNE 30, 1966

3. With the exception of equipment, the amounts shown for fixed assets and deferred expenditures represent costs to date. Equipment has been recorded on the basis of an appraisal made in November, 1964 by an employee, Mr. A. Parker, professional engineer. As a result \$18,866 was charged to preproduction and development and \$160 to general and administrative expense as depreciation during 1964 which together with \$2,514 depreciation previously charged was written off to deficit in 1965.
4. During 1965 the company entered into the following agreements with Sumitomo Metal Mining Co. Limited:
 - (a) In February, 1965 Sumitomo agreed to advance \$175,000 to the company for the purpose of exploration. The company agreed not to enter into any agreements for sale of ore or concentrate, for financing further exploration and development without the approval of Sumitomo during the currency of the agreement. By a concurrent agreement the company granted to Sumitomo an option to convert \$90,750 of the \$175,000 loan into 55,000 shares of the company at a price of \$1.65 per share on or before March 31, 1966. The parties further agreed that the remaining \$84,250 be converted into 64,808 shares at a price of \$1.30 per share. The aforementioned 55,000 and 64,808 shares were issued by the company during March 1966.
 - (b) In September, 1965 Sumitomo agreed to advance \$100,000 for the purpose of option payments, feasibility study and general corporate purposes. The company granted to Sumitomo an option to convert the \$100,000 together with accrued interest thereon into shares of the capital stock of the company. This option expired on December 30, 1965 and the advance was repaid on March 30, 1966.
 - (c) On March 15, 1966 Sumitomo agreed subject to the approval of the Government of Japan to loan to the company \$4,700,000. The \$4,700,000 together with interest is to be repaid within five years from the date of production and in any event not later than December 31, 1972. The loan agreement contains certain covenants which restrict on borrowing, working capital and capital expenditures without the consent of Sumitomo. The loan agreement further provides for the conversion at the option of Sumitomo of \$1,600,000 of the monies advanced by Sumitomo into shares of the capital stock of the company at a fixed price of \$1.30 per share as follows:

\$300,000 on or before December 30, 1968
\$500,000 on or before December 30, 1969
\$800,000 on or before December 30, 1970
 - (d) On March 30, 1966 Sumitomo loaned to the company \$450,000 from which the aforementioned \$100,000 (4(b)) was deducted. \$130,000 will form part of the aforementioned \$4,700,000 (4(c)) when approval of the Government of Japan is obtained. If approval is not obtained the \$130,000 is to be repaid by September 27, 1966 either in cash or by the issuance of treasury shares at a price of \$1.20 per share.
 - (e) On May 12, 1966 Sumitomo loaned an additional \$500,000 which is repayable by September 27, 1966.
5. During 1964 and subsequently amended during 1965 an option was granted to the president of the company to purchase 150,000 shares of the company's capital stock at the following prices:

October 30, 1965 to October 30, 1966	\$1.90 per share
October 30, 1966 to October 30, 1967	\$2.15 per share

The president is required to remain an employee or officer of the company while exercising the options.

6. The authorized capital stock of the company was increased to 7,500,000 shares by a special resolution of the shareholders as confirmed by a certificate of the Registrar of Joint Stock Companies for the Province of Alberta dated December 13, 1965.
7. Since incorporation the following shares have been issued for the consideration as indicated:

CONSIDERATION	NO. OF SHARES	AMOUNT
Cash	2,376,454	\$ 171,602
Services	3,000	247
Mining properties	719,948	81,237
Acquisition of Rock Hill Uranium Ltd. assets —		
Properties)		387,009
Working Capital)	1,190,330	2,721
Equipment)		7,309
	<u>4,289,732</u>	<u>\$ 650,125</u>

NEW IMPERIAL MINES LTD.

NOTES TO FINANCIAL STATEMENTS

FOR THE PERIOD FROM SEPTEMBER 7, 1954
(Date of Incorporation)

TO JUNE 30, 1966

By extraordinary and special resolution of the shareholders registered with the Registrar of Joint Stock Companies for the Province of Alberta on January 21, 1957, the special resolution confirmed by the Supreme Court of Alberta registered on May 8, 1963 the then issued share capital being consolidated on a one for four basis.

Conversion of old shares at four old shares
for each new share

	1,072,433	\$ 650,125
Cash	4,044,390	1,419,320
Services	267,076	34,740
Bonus	85,000	—
	<u>5,468,899</u>	<u>\$2,104,185</u>

8. The company has entered into an agreement with The Toronto-Dominion Bank to borrow \$2,544,000 U.S. The money is to be used for the erection of mine and mill facilities at Whitehorse. It is secured by a deed of trust and mortgage which is to be a first fixed and floating charge against the properties and assets of the company ranking in priority to the security granted to Sumitomo. These funds will be taken down after the Sumitomo loan. Repayments are to commence in 1967 and final payment to be made by June 30, 1969.
9. The company has made arrangements for the borrowing of overrun monies in the amount of \$500,000 to be used to complete the mine and mill facilities in the event the monies loaned by Sumitomo and The Toronto-Dominion are insufficient to complete the project.
10. COMMITMENTS —
At June 30, 1966, commitments amounting to approximately \$1,750,000 were outstanding in connection with capital expenditures.
11. CONTINGENT LIABILITY —
An action has been commenced against the company for alleged agency commission payable. No set sum is claimed and the company denies that the Plaintiff has any valid claim for any sums whatsoever from the company. This action is being defended by the company.

ENGINEERS' REPORT

REPORT ON THE PROPERTIES OF NEW IMPERIAL MINES LIMITED NEAR WHITEHORSE YUKON TERRITORY

By

DR. A. C. SKERL, P. ENG.

NOVEMBER 25, 1965.

SUMMARY

The claims of New Imperial Mines cover the favourable contact zone between limestone and granite that stretches for 18 miles through the Whitehorse Copper Belt.

The Company controls all the more promising deposits and prospects of which six have now been proven to contain valuable ore-bodies that can be mined by open-pit methods.

The diamond drilling in 1956 and from May, 1963 to September, 1965, that totals 101,434 feet in 333 holes, has shown that these deposits amount to 5½ million tons of reasonably assured ore averaging 1.20% Cu plus \$1.10 per ton recoverable as gold, silver and molybdenite.

The Little Chief deposit is the largest and a Feasibility Study has now been completed that is based on a millsite near it with a capacity of 2,000 tons per day.

Negotiations have been proceeding with the Sumitomo Metal Mining Company and its associates for the furnishing of capital for mill construction and an agreement for purchase of concentrates.

Agreements are expected to be signed on the basis of the Feasibility report that has recently been prepared by Wright Engineers, and J. A. C. Ross and Associates.

It is expected that extensions will be found by further drilling at the three principal ore-bodies. A number of other attractive prospects should also be tested by drilling.

INTRODUCTION

I have been associated with the venture to revive the Whitehorse Copper Belt since 1956, when I made an extensive review of all the available data, much of which was in private hands. A limited attempt was made that year when some drilling was done on the Best Chance.

Through the efforts of Mr. Aubrey Simmons, Mr. Arnold Pitt, and their associates, funds were made available to start serious exploration in May, 1963. The success of this endeavour is shown in this account.

Mr. R. W. Kenway, P. Eng., as Manager from September, 1964 to date, has greatly contributed to this outcome.

HISTORY

The important showings along the Belt were all staked in 1898-99. Up to 1909 not more than 4,000 tons of ore had been shipped. Then the construction of a spur of the Whitepass and Yukon Railway for ten miles along the Belt enabled a number of properties to ship crude ore to the smelter at Anyox, British Columbia.

The main production was during the first world war after which all activity ceased apart from drilling in the boom years of 1926 to 1929. In 1947 and 1948 Noranda Mines did extensive geological mapping, geophysical surveying, trenching and diamond drilling.

In 1955 Imperial Mines and Metals acquired by staking, purchase or option numerous claims along the Copper Belt. In the following year this company did 2,191 feet of diamond drilling on the Best Chance ore-body. Geological and magnetometer surveys were carried out both in this claim and in the Arctic Chief area.

The company was reorganized as New Imperial Mines in 1957, and immediately proceeded to carry out the development work that I had proposed.

Sufficient ore has been found to warrant putting the property into production as shown in the feasibility study by Wright Engineers and J. A. C. Ross and Associates. These firms have provided summaries of their findings to accompany this report.

SITUATION AND COMMUNICATIONS

The Copper Belt is in the Southern part of the Yukon Territory, about 45 miles north of the British Columbia boundary, and extends for 18 miles along the valley of the Yukon River.

Whitehorse, at the head of navigation on the Yukon River, is the distributing centre for the district. It is about three miles from the nearest property on the Belt, and is 110 miles from Skagway at the head of Lynn Canal with which it is connected by a narrow gauge railway.

The all weather Alcan Highway makes a direct road link with Edmonton, as well as British Columbia.

The Canadian Pacific Airlines maintains daily flights between Whitehorse and both Vancouver and Edmonton.

TOPOGRAPHY

The main physical feature of the district is the large valley of the Yukon River which is four miles wide opposite Whitehorse. The central portion of which has been a pre-glacial valley is now filled with silts and boulder clays through which the present river has cut a narrow winding secondary valley about 200 feet deep. There are numerous canyon-like tributary valleys entering it from both sides.

Away from the valleys the terrain consists of glacial terraces, hummocks of glacial material and rough rock ridges.

CLIMATE

The summer weather from May to September is dry and not too hot but the winter from November to April is cold.

The summer precipitation averages 5.5 inches of rain and the average yearly snowfall is 45.6 inches giving a total average precipitation for the year of 10.0 inches.

POWER

The Northern Canada Power Commission now has a power development operating at Whitehorse Rapids on the Yukon River just outside of Whitehorse. The present installation consists of two 7,500 H.P. Kaplan units under a head of 63 feet with provisions for a third unit. The Yukon Electric Company purchases most of this power for distributing in its franchise area of 12 miles radius from Whitehorse.

A much larger potential exists at the Miles Canyon damsite on the Yukon River only two miles from the nearest Copper property.

The present plans of New Imperial Mines call for total electrical load demand of 2,200 KVA.

WATER SUPPLY

A convenient and assured water supply is an important consideration for the proposed concentrator which will use about 1,000 gallons per minute.

The only certain source of water known at present is the Yukon River where it is proposed to set up three pumps. Supplementary water will be available from the small creeks and lakes to the west of the millsite. Another possibility that has still to be tested is the groundwater present in the gravel flats immediately east of the millsite.

The Big Chief Lake will be enlarged to form a reservoir that will be conveniently close to the millsite.

HOLDINGS

In the Whitehorse Copper Belt the company now has options on 21 Crown Granted Claims and 88 staked claims. It also holds in its own name 286 staked claims and one Crown Granted Claim. In addition it has an option on 16 claims in an area 20 miles northeast of Whitehorse.

To the best of my knowledge the following is a complete list of the various claims in the Whitehorse area. They are depicted on the current government claim map and are seen to form one continuous group:

Owned by New Imperial Mines:

CLAIM	GRANT NO.
Best Chance (Crown Grant)	Lot 48
Sue Nos. 9 to 16	75717 to 75724
Bonzo Fraction	72699
Sue Nos. 1 to 4	75653 - 75656
Geno Nos. 1 to 8	75972 - 75979
Gem No. 1	75346
Gem No. 2	75221
Gem No. 3	75474
Margaret No. 1	76178
Dorothy No. 2	76179
Betty No. 3	76180
Zoe No. 4	76181
Mac Nos. 1 to 8	76387 - 76394
Tess Nos. 1 to 6	76395 - 76400
Ken No. 1	76403
Angela Nos. 1 to 4	76404 - 76407
Della Nos. 9 to 12	76408 - 76411
Bill Nos. 1 to 8	76770 - 76777
Peter Nos. 1 to 2	76778 - 76779
Kohler Nos. 1 to 3	76780 - 76782
Geno Nos. 9 to 10	76401 - 76402
Parke Nos. 1 to 3	76664 - 77666
Ley Fractions Nos. 1 to 4	82027 - 82030
Snell Nos. 1 to 10	85067 - 85076
Simmons Nos. 1 to 8	85077 - 85084
Pitt Nos. 1 to 3	85085 - 85087
Rapuzzi Nos. 1 to 4	85107 - 85110
Della Nos. 13 to 16	85271 - 85274
Acme Nos. 1 to 16	85481 - 85496
Ace Nos. 1 to 6	85422 - 85427
Ace Nos. 1 to 24	85428 - 85451
Ace Nos. 25 to 33	85472 - 85480

CLAIM		GRANT No.
Ace Nos. 34 to 49		85452 - 85467
Jim Nos. 1 to 38		85329 - 85366
Skerl Nos. 1 to 14		85747 - 85760
Todd Nos. 1 to 2		85761 - 85762
Whitehorse No. 1		85846
It Nos. 1 to 6		85848 - 85853
Mo Nos. 1 to 19		85854 - 85872
New Nos. 1 to 8		90373 - 90380
Sanson No. 1 Fr.		91055
Peter Nos. 1 to 4		85743 - 85746
Golden Gate 1		85847
Pitt No. 4 Fr.		85088
Lil No. 1		85565
Jan No. 1		85566
Denis Fr. No. 1		91274
Denis Fr. Nos. 2 to 5		91288 - 91291
Denis Fr. No. 6		91466
Ross Fr. No. 1		91823
Ross Fr. Nos. 3 to 4		91883 - 91884
Ross Fr. No. 5		91882
Archie Fr. Nos. 1 to 6		91853 - 91858
Under option to New Imperial Mines:		
From Lowe Estate — all Crown Grants —		
Verona	Nos. 115	11996
Copper King	71	16434
Copper Queen ,	73	8976
Little Johnnie	129	11992
War Eagle	58	9158
Le Roi	59	9301
Le Roi Extension	60	9353
Arctic Chief	51	7280
Empress of India	61	8796
Grafter	63	8770
Iron Horse	145	12014
From Beadak Mines Ltd., 621 Columbia Building, Spokane, Wash.		
All Crown Grants —		
Pueblo	54	
Pueblo Nos. 2 to 5	78 - 81	
Pueblo Extension	82	
Pueblo Star	83	
Blue Bell	64	
Carlisle	49	
Tamarac	50	
From E. Marion Warren, P.O. Box 2256, Whitehorse, Y.T.		
Zircon Nos. 1 to 3		64128 - 64184
Zircon Nos. 4 to 5		74157 - 74158
Zircon No. 6		76412
From George T. Simmons, Carcross, Y.T.		
Emily Nos. 1 to 2		75709 - 75710
Gladys Nos. 3 to 4		75711 - 75712
Mabel Nos. 5 to 6		75713 - 75714
George Nos. 7 to 8		75715 - 75716
From C. A. Gibbons, P. Verslucce and H. Verslucce of Whitehorse, Y.T.		
Bornite Nos. 1 to 2		73783 - 73784
Oro Nos. 1 to 5		73893 - 73897
Prince No. 1		75752
Prince No. 2		75757
Prince No. 3		75753
Prince No. 4		75758
Prince No. 5		75754
Prince No. 6		75759
Prince No. 7		75755
Prince No. 8		75760
Prince No. 9		75756
Prince No. 10		75761
From H. C. Fromme, Whitehorse, Y.T.		
Jean Nos. 1 to 15		85372 - 85386
Jean Nos. 17 to 30		85408 - 85421
Jean Nos. 31 to 36		85839 - 85844
Jean Nos. 41 to 42		90267 - 90268
From Fred Smith, Whitehorse, Y.T.		
Moose Nos. 7 to 14		92972 - 92979
From Kitty Smith, Whitehorse, Y.T.		
Moose Nos. 15 to 22		92980 - 92987

The following claims are under a Letter of Intent to option dated September 30th, 1965 from George T. Simmons, Carcross, Y.T. to New Imperial Mines Ltd. The terms of the said option are to be negotiated within a period of 18 months from September 30/65.

Bob Nos. 1 to 6	76092 - 76097
Cameron Nos. 1 to 6	75982 - 75987
Blackie No. 1	75988
Blackie No. 3	75989
Blackie Nos. 5 to 10	75990 - 75995
Emidell Nos. 1 to 8	91593 - 91600
Emidell Nos. 9 to 13	91824 - 91828
Emidell Nos. 14 to 16	91879 - 91881
Emidell Fr. 17	
Emidell Fr. 18	

GENERAL GEOLOGY

The recently issued geological map of the Whitehorse Copper Belt by the Canadian Geological Survey shows predominant granitic intrusives containing an elongated zone of limestone and associated sediments with a north-northwesterly strike and a width of up to two miles.

The granitic intrusions give rise to widespread masses of skarn that have replaced the limestone and consist of varying amounts of garnet, epidote, tremolite, calcite, augite, etc. Magnetite is a common constituent of the skarn and sometimes predominates within the central four miles of the Copper Belt.

The Pueblo mine was unique in that hematite was the principal mineral of its large ore-body.

All the deposits that have been drilled to date are associated with both major and minor faults which probably were significant during mineralization.

The so-called acid dykes are another invariable associate. They range in composition from granitic to dioritic and frequently are classed as feldspar porphyry. They appear to have been post-skarn formation but to have immediately preceded mineralization.

Basic dykes of post-ore age are also present in all deposits.

MINERALIZATION

The copper sulphides bornite, chalcocite, and chalcopyrite and their common oxidation products malachite, azurite, cuprite, malaconite, chrysocolla and native copper are found at intervals throughout the contact zones associated with skarn minerals. Late in 1963 the rare copper sulphide vallerite was recognized in the drill core at the Little Chief deposit.

Molybdenite is of economic importance in at least one deposit. Pyrite and pyrrhotite are sometimes present although not in the ore-bodies developed to date.

Both gold and silver are found by assay in appreciable amounts associated with the copper minerals in all the deposits.

ORE DEPOSITS

These usually consist of skarn with a sufficient concentration of copper minerals to form ore-bodies.

Although limited amounts of high grade ore averaging 10-25% copper have been shipped in the past large scale mining under present conditions will depend on ore-bodies ranging from 1%-2% Copper.

Worthwhile precious metals values are present and so far have averaged up to 0.05 oz. Gold and 0.50 oz. Silver per ton in the ore-bodies tested.

New Imperial Mines controls important claims in four separate areas along the Copper Belt. From south to north they are:

1. Cowley Park — Keewenaw
2. Valerie — Little Chief — Big Chief Group
3. Arctic Chief — Best Chance Group
4. Pueblo — War Eagle — Copper King Group

It is roughly 5 miles between the first two areas, 1½ miles between the second and third and 4 miles between the third and fourth.

The second and third areas contain all the deposits in the Copper Belt that are noteworthy for their high content of magnetite. The recently published aeromagnetic map for the Whitehorse area clearly indicated both the Arctic Chief deposits and the Valerie - Little Chief Group.

A strong anomaly in the drift covered area between the Pueblo and Best Chance deposits was found to be due to Quarternary Basalt buried under 200 feet of glacial materials.

In the following pages the salient features of the various mineral occurrences will be described.

VALERIE * LITTLE CHIEF * BIG CHIEF GROUP

Here two sets of claims named Oro and Geno have been staked over the old Valerie Mine, and the three deposits known as Little, Middle and Big Chiefs that were explored by Noranda Mines in 1947.

The geology of this section is quite significant when studied on the map. A "finger" of granite 3,000 feet long striking north-northwest has intruded the limestone. On the east side at the base of the finger is the important Little Chief deposit. Immediately north of it is the Middle Chief whilst the tip of the finger is

capped by the "V" shaped Big Chief. On the west side at the base of the finger is the old Valerie Mine. The 3,000 feet between it and the Big Chief is covered by overburden, but Noranda Mines detected four anomalies with a dip needle survey that could well be due to valuable mineralization. Both magnetometer and self potential surveys conducted in the summer of 1963 confirmed the presence of these anomalies. Further confirmation was obtained by induced polarization survey in 1964.

The drilling in this group of deposits has shown that there is a continuous zone of serpentine between the siliceous skarns and the limestone. It is of great importance since it is usually the host for the mineralization. Originally this serpentine may have been a dolomitic limestone or alternatively a basic lava flow on the sea floor.

VALERIE

The original Valerie Mine is at an embayment in the contact of the granite and limestone. Any outcrops at the mine itself are now covered up by the extensive dumps. The two shafts are flooded and no plans exist of the underground workings.

According to McConnell (1909) there was a ragged contact between limestone and hornblende granite with the usual alternation to silicate minerals. There was a steeply inclined shaft to a vertical depth of 84 feet with a total of 270 feet of various drifts. Copper mineralization was seldom absent from the contact zone when exposed. The shaft started in chalcopryite ore 10-15 feet wide which ceased or passed into the wall at 25 feet. Short drifts to the north and northeast from the shaft bottom soon entered an ore-body 50 feet long and up to 17 feet wide.

Three lenses of shipping ore occurred on the surface whilst only one had been found underground by 1909. No bornite was seen by McConnell and he said that the only shipment had been 40 tons of selected ore claimed to average 18% copper and 0.25 oz. gold per ton.

Wilcox stated in 1917 that the mine was intermittent shipper and Keruish gave the total net profit as \$56,185.00 which must have represented a fair tonnage. The extensive dumps certainly suggest that considerable underground work was done.

Some good chalcopryite ore can be seen on the dump with pyrite and pyrrhotite as well as magnetite.

The old mine itself gives a geophysical anomaly that is 450 feet long. At 200 feet north of this the next anomaly is 500 feet long and after a gap of 300 feet there is another that is 450 feet long. The two smaller anomalies that are 200 and 50 feet long respectively are at 500 and 1,300 feet further north.

The only attempt by Noranda to drill here was at the second anomaly beyond the old mine with a -45° hole, but on reaching bedrock at 92 feet (65 feet vertically) it caved and was abandoned.

The two holes were drilled in late 1963 just north of the main shaft at the Valerie. The first at -45° encountered old workings at 70 feet below the surface, and was therefore abandoned. A steeper hole at -55° was drilled to 327 feet. Close to the position of the old workings mineralized skarn was encountered that assayed 1.48% Cu over 9.1 feet and after a barren section of 12.7 feet, another 13.9 feet assayed 0.68% Cu.

In 1964 the various magnetic anomalies were tested by another 14 vertical diamond drill holes that brought the total to 4,062 feet for the Valerie area.

Interesting copper-magnetite mineralization was found but nothing of ore grade. The overburden was 50-80 feet deep and difficult to penetrate so that angle holes could not be drilled with the equipment available. Since the mineralization apparently has a steep dip it is important to check the occurrences further by using the Copco O.B. drill to set the casing of angle holes to bedrock.

LITTLE CHIEF

So far this deposit is the largest proven on the Copper Belt as demonstrated by 71 diamond drill holes totalling 28,497 feet, on sections spaced 50 feet apart.

It has a length of 700 feet and horizontal widths up to 180 feet. Until recently the deepest ore known there reached 400 feet below the surface but now the ore at the south end has been found to extend to 750 feet below the surface.

In detail the ore boundaries are highly irregular and are probably the result of the numerous faults that have been noted in the drill core.

Most of the ore is associated with magnetite which in turn is associated with serpentine that it has partly replaced.

The ore minerals are bornite, chalcocite, chalcopryite and vallerite. Any one of these may predominate in a given section.

The deposit is divided into two by a prominent dyke on which there appears to have been a vertical displacement of the ore-body for 80 feet with the south end moved down.

The north end has been cut off by a steep fault with a displacement of 300 feet to the west to the Middle Chief Deposit.

The south end of the Little Chief appears to have been dropped on another fault for at least 100 feet vertically.

The south limit is formed by dioritic rocks but these may have been brought into this position by still another fault so detailed investigation is being done in the hope of finding another segment of the deposit.

At present the ore reserve at the Little Chief is calculated at:

1,910,000 tons averaging 1.40% Cu
of which 435,000 tons averaging 1.63% Cu is in a block below the 600 elevation (about 330 feet below the surface). There are good indications that further drilling could increase this figure to one million tons.

MIDDLE CHIEF

This mineralized zone that is 700 feet long is separated from the Little Chief by an easterly striking fault with a throw of 300 feet and from the Big Chief by a northerly striking fault zone that separates the two by 350 feet. In addition there appears to be another easterly striking fault dividing the Middle Chief into two sections with an offset of 80 feet.

The south segment of the zone appears to be essentially vertical with an average width of 70 feet and a length of 250 feet. For a depth of 100 feet it contains 200,000 tons with an average grade of only 0.54% Cu.

The north segment is almost 400 feet long, 100 feet wide and apparently dips 70° N.E. The copper minerals appear to be in four layers of which those on the footwall side which is close to the granite have an appreciable content of magnetite. On the hanging wall side molybdenite is present sporadically. The large amount of included waste results in an average grade of only 0.38% Cu for this area.

It should be possible to selectively mine on a salvage basis say 100,000 tons of medium grade ore from the Middle Chief. Further drilling of shallow holes in selected areas would be needed first.

BIG CHIEF

Here there is a mineralized contact zone about 50 feet wide in a "V" shape with the limbs 450 feet long. The principal mineral is magnetite with copper sulphides that have been oxidized on the surface. Noranda's sampling of their trenches gave values of 0.65% Cu to 1.46% Cu over widths of 25-70 feet.

The drilling in 1964 showed that the fault zone between the Middle and Big Chiefs was 100 feet wide with a segment of the mineralized zone caught within it.

Two holes in the east limb both gave average assays of 0.50% Cu. A hole in the west limb gave an average of only 0.34% Cu with poor recoveries due to broken ground.

The drilling on the Middle Chief amounted to 14 holes totalling 4,228 feet and in the Big Chief 6 holes totalling 1,480 feet.

ARCTIC CHIEF

In 1954 Mr. P. R. Wilson made geological maps, a magnetometer survey and sampled the underground workings in this area.

The original deposit of the Arctic Chief consists of an irregular lens of massive magnetite that appears to be steep near the surface and then flattens out to a dip of 40° to the west beneath a mass of skarn that is up to 400 feet wide and bounded on the west by granite. The footwall of the ore is limestone.

An old tunnel that was driven prior to 1916 follows the ore by means of a drift and three irregularly spaced cross-cuts that indicate a length of 200 feet and an average width of 35 feet. The workings beyond are rendered inaccessible by a bad cave on a fault that dips 30° S.

In 1956 Mr. Wilson obtained an average for his samples in the three cross-cuts of 2.9% Cu, 0.10 oz. Au, 0.80 oz. Ag.

The 240 feet cross-cut adit on the bottom level 60 feet below has very limited workings on the ore-body.

No stoping has been done on the Arctic Chief ore-body but there is evidence of hand sorting at the upper portal so that the ore from development was probably shipped. A profit of \$4,164 attributed to this mine presumably was obtained in this way.

Diamond drilling in 1963 and recent "dry drilling" on sections 50 feet apart has shown that there are 155,000 tons in this ore-body averaging 1.70% Cu and 28% Fe. Across the dyke that forms the south boundary there is another 18,000 tons averaging 1% Cu and 9% Fe. The drilling in this area totalled 2,953 feet in 13 holes.

EAST ARCTIC

Here the magnetometer survey carried out by Mr. Wilson confirmed the old survey made in 1947. Further confirmation was obtained in 1962 when lines were run on a different bearing for drilling purposes.

The area was completely masked by overburden where two strong anomalies were obtained separated by a 100 foot gap in which the projections of an acid and a basic porphyry dyke met.

The anomalies appear to indicate a north striking zone of magnetite but the northerly section has a prong striking westerly.

Noranda tested the northerly anomaly with a vertical hole and an inclined one obtaining 1.0% Cu over 99 feet in the first and 1.50% in the second but recoveries were poor in the first half of each intersection.

This was the first ore-body to be drilled in 1963. An analysis of the results shows that 158,000 tons are present averaging 1.10% Cu and 20% Fe. There is a minor body east at 80 feet that contains 17,000 tons averaging 0.7% Cu and 21% Fe. The drilling in this area totalled 2,924 feet in 13 holes on sections 50 feet apart.

The anomaly to the south proved to be due to an ore-body amounting to 65,000 tons averaging 1.10% Cu and 36% Fe, as shown by 9 drill holes totalling 2,390 feet also on sections 50 feet apart.

BEST CHANCE

Here there is an impressive outcrop of magnetite and skarn over a maximum length of 420 feet in a northerly direction and widths up to 80 feet with patches and disseminations of copper minerals. It is bounded by limestone on the west and granite on the east.

In the past, it was partially explored by two shafts 35 and 16 feet respectively, several pits and at least four vertical shot drill holes for which there are no known records.

The ore consists of chalcopyrite and bornite in scattered patches of the garnet-magnetite skarn with some sections of massive magnetite.

In 1956, Mr. Wilson made a geological map of the immediate area and then a magnetometer survey which indicated that the ore extended beneath an area of limestone on the southwest side and also that a second ore-body was present immediately to the south in an area concealed by overburden beyond a gap of only 80 feet that the geological mapping indicates is a dyke of granite.

In 1956, a series of -45° holes on 50 feet centres were drilled from the west side of the exposed deposit on six sections of which four had two holes. In 1963, similar set of holes were drilled on the next six sections to the south but from the east side.

Section O shows that the ore-body extends under the limestone for a maximum width of 180 feet. Adjacent sections also indicate that granite is present on the west side of the limestone.

Reconstruction of the geology of the extension suggests that the deposit had a highly irregular roof of limestone that is only partially removed. The major part of the copper mineralization is concentrated near the roof or around a large unreplaced lens of limestone within the skarn. Frequently, but not always, the copper values are in massive magnetite.

A series of six steep faults that strike northwest are also postulated from the evidence obtained by drilling.

The 21 holes totalled 5,690 feet and the ore reserve calculated from the results obtained amounts to 200,000 tons averaging 1.0% Cu and 20% Fe to a depth of 150 feet.

PUEBLO

McConnell described the ore-body exposed by stripping here in 1908 as an irregularly shaped mass 300 feet in length and up to 170 feet wide with an area of 33,000 square feet. It is entirely surrounded by crystalline limestone but is not more than 300 feet from a granite contact.

The ore is essentially cupriferous hematite but for the first 100 feet of depth known in 1909, the copper was in the form of oxide minerals with an average grade of 4% Cu.

Writing in 1926, C. B. White described how the ore was mined to the 60 foot level by means of open cuts and glory holes. Then a main shaft was sunk to 500 feet and stoping was carried out on levels at 200, 300 and 400 feet until March 21st, 1917 when a disastrous cave-in brought the mine to a stand still that has lasted ever since. The production to that date has been 140,000 tons.

At the time of this closure a diamond drilling campaign was being carried out on the 500 foot level with considerable success according to the figures of Mr. White. Thus the current flat hole (514) returned 44 feet of 9.6% Cu starting at 60 feet, which would be 240 feet NNW of the shaft. Hole 512 gave 65 feet of 13.8% copper and 513 gave 11 feet of 3.6% Cu at 40 feet further north showing that the main ore-body was still present.

The 514 Hole was regarded as discovering a new ore-body so that Mr. White recommended drilling from the surface in 1926. As a result, three holes cut ore about 200 feet above the 500 feet level intersection and whilst widths of 23 and 24 feet were reported the true width was probably 5 to 6 feet with an average grade of 4%. Mr. White interpreted the results as indicating two ore-bodies about 35 feet apart and recommended further drilling.

Mr. E. R. Wilcox in his report on the Arctic Chief dated June 1917, mentions that the Pueblo Mine has been closed since last March after a bad cave between the second and fourth levels, but is just now commencing operations again to prepare for further production. Previous to the shut down the mine was producing 200 tons per day.

Also he wrote — “I have been informed that ore with less than 3.5% Copper content was not considered a shipping grade from this mine.”

In 1948 Noranda Mines drilled two inconclusive holes from the surface in an attempt to test the original ore-body at depth on either side of the shaft. No. 1 was stopped at 591 feet owing to badly caving ground before reaching the projected position of the main ore at 50 feet south of the shaft. From 516 to 527 a low grade band assayed 0.34% Cu over a probable true width of 7 feet. No. 3 was aimed at -58° to cut the supposed projection of the ore in D.D.H. 514 at the 400 level. The results were disappointing and amounted to three narrow sections in 72 feet of limestone that assayed respectively 1.05% for 2.2 feet, 1.5 feet of 0.59% and 3.0 feet of 0.36% Cu at 130 to 70 feet above D.D.H. 514. At 30 feet beyond the last value the hole entered granite and stayed in that rock to the bottom at 160 feet further. Without a geological plan of the various levels, it is not possible to analyze these results.

White describes how, on the east side of the creek about 800 feet below the mine, the granite is intensely mineralized for a length of 300 feet. The west bank is limestone and the actual contact must be covered by the flats. He recommended drilling under these flats which was subsequently done, but the results are lost except for a map showing the locations of five holes over a strike length of 250 feet and a note that three holes gave the following values:

No.	Hor. Width	Ag	Cu
16	30 feet	1.66 oz.	4.96%
18	6	66.35	3.70
19	35	1.50	5.20

Noranda Mines checked No. 18 hole with their No. 4 for which sludges only are given because core recovery was poor.

80-90'	9.3% Cu
100-110	0.3
120-130	0.2
130-170	0.2
260-300	0.28

The country rock was nearly all granite.

Noranda No. 5 was drilled 200 feet south of No. 4. It encountered granitic rocks with patches of limestone and some mineralization. The following values were reported for the sections of core assayed:

85-87'	0.55% Cu
87-93	Tr.
93-97	0.15
180-189	0.25
200-206	0.21

The limited amount of drilling done by Noranda Mines unfortunately failed to confirm the values reported by White, so that pending further investigation on the ground, no definite conclusion can be given for the Pueblo area.

It is interesting to note that in 1926, Mr. T. Kerruish found from the old records that the Pueblo Mine had made a net profit during its operation of \$576,532.

WAR EAGLE

This old mine is about three miles east of Whitehorse and near the Alaska Highway.

McConnell described this property when it had been operating for only two years. The ore-body that he saw consisted of an irregularly shaped area, 65 feet across, in which the sulphides were associated with bands of tremolite. He reported an average of 2.71% Cu over a width of 45 feet in an open cut. At 23 feet below the surface a tunnel showed 44 feet of ore consisting of two well mineralized bands 14 and 10 feet wide with lower grade material between. I was able to crawl into this working last year and confirm this description.

A later account was found in the records of the Lowe Estate from which the following was taken:

On the surface there were two lenses of ore each 250 feet long, 6 feet wide and 30 feet apart. They were developed by a shaft 100 feet deep. In the early days production was from open cuts that were 20 feet deep, and amounted to 2,000 tons averaging 7% Cu and \$2.00 in gold and silver.

In 1916 and 1917 another 2,245 tons were shipped with a recovered value of 5.7% Cu and 0.03 oz. Au, and 2.0 oz. Ag per ton. This ore came from the shaft and from an open cut 40 feet long and 200 feet to the south.

There is another shaft about 500 feet north of the first which is also 100 feet deep but it produced very little shipping ore. The dump now contains a few tons of massive hematite-magnetite with about 1½% Cu.

In 1926 and 1929 some drilling was done for which there is only a sketchy record.

In 1939, A. A. McKinnon certified that he had worked on the War Eagle in 1916, when a thirty foot pocket of bornite ore was mined leaving underneath molybdenum ore that was 20 feet long and 10 feet wide.

It is reported that this property produced a net profit of \$43,379.00 for its owners.

During the past twelve months diamond drilling has been successful in outlining an important ore-body, beneath an area of over-burden a few hundred feet north of the old main shaft as described below.

The ore occurs in a metamorphosed succession of limestone, cherts and quartzites that have been explored by diamond drilling over a width of 500 feet and a length of 1,600 feet. For half of this drilling the section lines were 50 feet apart and for the rest 100 feet apart.

Eighty-nine holes were diamond drilled for a total of 25,851 feet and in addition 50 dry percussion holes that totalled 5,215 feet.

The sediments strike at N 20° W at the south end of the explored area at N 30° toward the north end. They dip from 65° at the south end to about 45° W toward the north end.

Near the north end of the area the sediments have been invaded by a swarm of dykes from 5 to 20 and more feet wide and apparently striking WNW. They are feldspar porphyry dykes with from 2-50% hornblende. They appear to pinch out rapidly in the southeast direction apart from one dyke which passes to the east side of the belt and widens from 5 feet at the north to 30 feet at the south end.

There are also a number of fine grained basic dykes, usually less than 5 feet thick, that appear to be interbedded with the sediments.

The sediments have been replaced by various types of skarn in an apparently irregular manner and then mineralized by bornite, chalcopyrite, chalcocite, and sporadically with molybdenite. In some places the feldspar porphyry dykes have been mineralized as well especially with molybdenite.

In a length of 600 feet and a width from 50 to 120 feet in the centre of the area a body of ore has been demonstrated by the drilling to contain 900,000 tons averaging 1.40% Cu over a vertical range of 250 feet below the surface. On six of the drill sections in this ore-body the vertical range has not been fully explored at the bottom so that there is a possibility of developing another 130,000 tons averaging 1.20% Cu.

At its north end this ore-body fades out in the swarm of dykes and a possible northeast striking fault. From 260-450 feet further north some preliminary drilling has indicated a body of low grade mineralization that is 100 feet wide and averages about 0.5% Cu. There is also a parallel zone at 80 feet to the east that is 40 feet wide and of a similar grade. Further drilling will be needed here to trace the zone northward in the hope of finding a better grade.

At its south end the main ore-body passed into a low grade zone for 300 feet although this includes the old main shaft where good ore was extracted in the past.

Next there is a length of 250 feet indicated by drilling to average about 1% Cu over 35 feet for a depth of 100 feet. Similar parallel bodies were also found at 50 feet and 250 feet respectively to the west and still another at 150 feet to the east.

These four small deposits are together estimated to contain 330,000 tons averaging 1.0% Cu.

This south section of the area is characterized by the lack of limestone which is presumably represented by skarn.

Exploration should be continued along the zone to the south.

COPPER KING

This mine is an isolated mass of limestone surrounded by granitic rocks. The limestone is largely converted to silicates which are accompanied by copper sulphides especially near the unaltered cores of limestone. The ore sections are characterized by tremolite. In 1900 McConnell reported that the main deposit dipped at 46° towards the granite contact. It had been followed down dip for 130 feet (91 feet vertically). Above the 63 foot level an excavation 15-30 feet long and up to 10 feet wide showed the size of an original lens of high grade ore.

About 200 feet north of this is a wide garnet-limestone band with copper mineralization which was followed in a steeply inclined shaft for 65 feet. The first 20 feet followed a small high grade lens of bornite ore but the rest of the workings, including short drifts from the bottom, are in unworkable material.

At 200 feet south of the main shaft another one was sunk for 40 feet on a lens of ore.

Over 500 tons averaging 15% Cu had been shipped by 1908 and in 1917 Mr. Wilcox stated that the property was shipping 300 tons a month. In 1918 good ore was encountered at the 100 foot level.

Between 1915 and 1920 shipments totalled 3,288 tons averaging 10% Cu which netted a profit of \$88,073.00 according to the old records.

A geological map has now been made of this area followed by an I.P. survey which have suggested the possibility of a medium sized low grade ore-body.

Drilling was started in August, 1964 with a light exploration machine. Four holes were drilled of which the most interesting returned 64 feet that averaged 1.30% Cu. Further drilling here is warranted.

COWLEY PARK

This is the most southerly of all the known mineral occurrences on the Copper Belt. It is in an easterly striking metamorphosed remnant of sediments consisting mostly of limestone, at least 3,000 feet long and 700 feet wide at the south end of the main granitic intrusive.

Much of the limestone has been converted to skarn consisting of garnet, tremolite, wollastonite, epidote, etc. with some areas mineralized by bornite, chalcopyrite, molybdenite, pyrite and magnetite.

In the main area investigated to date there are two old, shallow shafts and some bulldozed cuts.

A length of 600 feet has been drilled with sections at 100 feet intervals plus another section at 200 feet further to the west.

The granitic rock was found to have a bowl shape with altered hybrid rock between it and the skarn. The ore is restricted to a part of this skarn.

Major faulting is present but its relationship to the ore, if any, has not been deciphered.

The grades of copper and molybdenite vary widely from hole to hole.

At present the ore reserve amounts to:

1,370,000 tons averaging 0.87% Cu, 0.08% MoS₂.

A total of 13,449 feet was drilled in 45 holes.

KEEWENAW

This deposit is on the east side of Wolfe Creek, 2½ miles west of the Cowley Park deposit, in an altered, dioritic phase of the main intrusion at its contact with limestone.

It is cut by a swarm of intermediate and basic dykes that make the interpretation of the ore shapes difficult. Faulting is also present that adds further complications.

Most of the mineralization consists of bornite scattered through the dioritic rock. Deep oxidation is present in some parts of the deposit with the copper in the form of chrysocolla.

The deposit was trenched, mapped, sampled and diamond drilled with 5 holes by Noranda Mines in 1947.

During the past winter a series of 29 holes on 50 ft. centres were drilled by New Imperial for a total of 8,625 feet.

A recent interpretation of this drilling shows that near the surface the mineralized ground occupies a roughly circular area about 300 feet across. At 100 feet lower it is 250 feet across and at another 100 feet lower it is not more than 120 feet in diameter.

A core or non-mineralized feldspar porphyry dyke rock strikes northwest across the ore-body for 350 feet with a maximum width of 60 feet at the centre and pinching out to nothing at each end. It is cut off on its northeast side however by a vertical fault striking N 30° W. On the other side of this fault, to the north, there is a similar mass of the same rock. It could originally have been part of the other mass and have moved 300 feet horizontally along the fault.

The east side of the second feldspar porphyry is also limited by a fault which dips at 45° SW and cuts the vertical fault.

At depth the first porphyry rapidly diminishes in length to become pipelike.

I have estimated that the sulphide ore here amounts to 380,000 tons averaging 1.10½ Cu.

ORE RESERVES

The reasonably assured reserves at each deposit have been calculated under two categories:

1. Ore that is within 25 feet of a drill hole and also geologically reasonable.
2. Ore that is from 25 to 50 feet from a drill hole and geologically reasonable.

In most cases the drill core recoveries have been better than 95% but where more than 20% of the core is missing from a sample the missing portion is assumed to be barren in the calculations.

The recoverable values of gold and silver are based on the assays for these metals in the copper concentrates obtained during the mill test work by Mr. J. W. Britton, P. Eng., Consulting Metallurgist.

The value for the molybdenite is based on a 65% recovery from the Cowley Park ore in preliminary work, although a better performance is expected with further tests.

These figures for the iron content of the ore-bodies have been deleted because the high cost of transportation and handling the magnetite concentrates would leave no profit. A production of 150,000 tons per year of magnetite concentrates for a period of at least four years was contemplated with a value at Skagway of \$1,400,000 per year.

The tabulation of the reserves for the various ore-bodies is as follows:

Deposit	1st Category				2nd Category			
	Tons	Cu%	Au, Ag \$	MoS ₂ %	Tons	Cu%	Au, Ag \$	MoS ₂ %
LITTLE CHIEF	1,780,000	1.40	1.07		130,000	1.60	1.05	
ARCTIC CHIEF	400,000	1.32	1.67					
BEST CHANCE	200,000	1.00	0.26					
WAR EAGLE	1,080,000	1.33	0.73		150,000	1.00	0.50	
COWLEY PARK	780,000	0.84	0.20	0.091	590,000	0.92	0.25	0.087
KEEWENAW	380,000	1.10	0.96					
TOTALS	4,620,000	1.23	0.85	0.015	870,000	1.03	0.41	0.059
TOTAL RESERVE	5,490,000	1.20	0.78	0.022	\$1.10 recoverable per ton as Au, Ag & MoS ₂ .			

FUTURE EXPLORATION

In addition to the possible extensions of the developed ore-bodies there are a number of occurrences that should be drilled in future.

1. COPPER KING

Only a start has been made on the diamond drilling here.

2. PUEBLO

It should be possible to check the reported high grade ore on the 500 level with a vertical drill hole about 600 feet long from the surface. A possible mineralized area to the northeast of the mine was indicated by the I.P. survey in 1964. A bulldoze cut failed to penetrate the deep overburden although some mineralized material was found. Dry drilling is proposed to test this ground.

FUTURE EXPLORATION

3. ANACONDA AND RABBIT'S FOOT

These old prospects are near the Alaska Highway on the road to the War Eagle. They should be mapped geographically and then tested with the O.B. machine.

4. KEEWENAW AREA

At about 500 feet to the northeast of the Keewenaw deposit similar mineralization has been found by drilling associated with an I.P. anomaly. No ore grade has been located but further work is justified.

An old trench was found about 2000 feet to the east-southeast of the main Keewenaw deposit. It is 60 feet long and extensively mineralized with malachite and some chalcopyrite in a silicate skarn. Attempts to reach bedrock is parallel and cross trenches apparently failed. This occurrence certainly warrants drilling.

5. MOOSE

Just recently the company acquired an option for a nominal sum from Mr. and Mrs. Fred Smith, of Whitehorse on the Moose group of 16 claims, situated about 20 miles northeast of Whitehorse. Mr. Kenway reports that the various samples submitted by the owners average over 5% copper, but because of the cover of new snow it is not practical to make an examination until next spring.

RECOMMENDATIONS

1. Extend the drill pattern to the north and south of the War Eagle.
2. Continue the drilling to outline the deep ore at the south end of the Little Chief.
3. Extend the drill pattern to the east and west of the Cowley Park ore-body. Also drill the indicated parallel body to the south.
4. Define the north end of the Best Chance ore-body with O.B. holes.
5. Explore the occurrences discussed under "Future Exploration."

DR. A. C. SKERL, P.Eng.

CERTIFICATE

This is to certify that:

1. I, Augustus C. Skerl, am a resident of Vancouver, B.C. at 1758 Western Parkway, Vancouver 8, which is also my office.
2. I am a Professional Engineer (British Columbia) and have practised as a mining geologist for the past 36 years of which the last 20 years have been in British Columbia.
3. My qualifications consist of the degrees of B.Sc. and Ph.D. from The University of London, England, and of D.I.C. and A.R.S.M. (1929) from the Royal School of Mines, London, England, all in Mining Geology.
4. I have no interest nor do I expect to receive any interest directly or indirectly in the properties or securities of New Imperial Mines.
5. This certificate is in reference to my report dated 25th of November, 1965 on the properties of New Imperial Mines Ltd.
6. I have personally examined the properties described on several occasions during the summer seasons of 1956, 1962, and monthly since June, 1963 to date.
7. The report has been written by myself and is based in my own field-work as well as that of others who are duly acknowledged.

DR. A. C. SKERL, P.Eng.

25th of November, 1965.

December 3, 1965

THE DIRECTORS

NEW IMPERIAL MINES LIMITED

As requested by you, I have reviewed the work submitted by Wright Engineers Limited in conjunction with J. A. C. Ross and Associates and my report is as follows:

METALLURGY

Extensive metallurgical test work has been carried out on diamond drill core samples from the six ore bodies by Britton Research Laboratories, Sumitomo Metal Mining Co. Ltd. and the Department of Mines and Technical Surveys in Ottawa. Ore from the six deposits has similar grinding and metallurgical characteristics and a mill of standard design will treat all of the ores. Due to variations in copper grade, values in gold and silver and recovery in each ore body, the value of production from each deposit varies and a schedule of ore treatment has been worked out to produce the best return.

Detailed tabulations of concentrate grades have been prepared showing estimated recoveries of copper, gold, silver and molybdenum, from each of the ore bodies as they will be mined and milled during a period of seven years.

Based on standard smelter terms, and ocean shipping rates to Japan, dollar returns have been worked out based on various metal prices.

The average smelter return per ton of ore, for the present ore reserve based on present U.S. metal prices of Gold \$35.00 per ounce, Silver \$1.29 per ounce, Copper 35.8c per pound and Molybdenum Sulphide \$1.00 per pound, is calculated to be \$7.54 per ton.

OPERATING COST

Total operating costs are estimated at \$4.053 per ton in the first year based on mining Little Chief Ore at the rate of 650,000 tons per year and vary in subsequent years for the different pits from \$3.63 to \$4.135 per ton with ore treatment at the rate of 720,000 tons per year. Average operating cost for the total ore reserve is estimated to be \$3.88 per ton.

The operating cost estimate includes all mining costs; haulage of ore to mill; crushing, grinding and concentrator costs; drying of concentrate; hauling of concentrate to Skagway and loading; power and water supply costs; administration and services; and an allowance for continuing exploration. Based on available accommodation at Whitehorse, there is no townsite requirement and shop and warehouse facilities can be minimized.

POWER AND WATER

The Yukon Electrical Company Ltd. has submitted a schedule for hydro electric power supply at the mill site at 2300/4160 volts. Capital cost for power is thus minor and the mill rate/KWH is considered to be favourable as compared with thermal power which would be the only alternate.

Water supply from a source closer than the Yukon River should, with further investigation, prove feasible. Meanwhile, the more expensive but positive Yukon River supply has been allowed for in the costs.

CONCENTRATE SHIPPING

An overall rate from mill to ship including storage at Skagway has been estimated by the Whitepass & Yukon Route. This figure is used in the operating cost estimate and is believed to be a maximum figure.

ESTIMATE OF CAPITAL REQUIREMENTS

Wright Engineers Limited and J. A. C. Ross and Associates Ltd. have made a joint estimate of the capital costs as follows based on a mining rate of 720,000 tons per year and a mill rate of 2,000 tons per day.

CAPITAL COST SUMMARY

Section	Construction		Totals
	Equipment	& Installation	
II Mining	\$1,283,240	\$ —	\$1,283,240
III Preproduction Mining		464,480	464,480
IV Access Road		54,000	54,000
V Ancillary Buildings	38,500	188,900	227,400
VI Power	50,390	35,300	85,690
VII Crushing Plant & Coarse Ore Storage	382,100	470,600	852,700
Concentrator & Fine Ore Storage	583,100	1,118,900	1,702,000
VIII Water Supply & Fire Protection	93,200	198,300	291,500
Tailings Disposal	9,190	77,600	86,790
IX Administration & General Costs	432,100	—	432,100
SUB-TOTAL	<u>\$2,871,820</u>	<u>\$2,608,080</u>	<u>\$5,479,900</u>
Contingencies @ 10% on \$4,196,660			419,700
Engineering, Construction Supervision and Company Administration @ 10% on \$4,196,660			419,700
Interest from beginning of construction to first revenue payment			212,800
Working Capital for first 100 days operation			721,800
Total Capital Investment Required			<u>\$7,253,900</u>

“L. F. WRIGHT”, P. Eng.

December 3, 1965

The Directors,
New Imperial Mines Ltd.,
Suite 1022, 85 Richmond Street West,
Toronto, Ontario.

Dear Sirs:

In compliance with your request I have reviewed the Feasibility Study for New Imperial Mines Limited dated November 1965 and submit herewith my report covering the aspects relating to Mining and Cost Estimates.

Until more work has been completed on other zones it is necessary to limit mining plans to the six deposits that have been extensively drilled to date. I concur in the recommendation that these zones be mined by open pit methods in the following sequence: Little Chief, Arctic Chief, War Eagle, Cowley Park, Keewenaw and Best Chance. During the first year of operation if ore is mined solely from the Little Chief zone initial capital expenditures for preproduction preparation work can be limited to the work required to bring this zone into production.

Geological interpretations by Dr. Skerl have formed the basis for completing the pit design work but mining ore reserve estimates have not classified the ore into various categories. The ore reserves, available for mining, therefore differ somewhat from those calculated by Dr. Skerl as mining dilution, and only ore lying within the designed pit limits, have been included.

The ore available for mining totals 5,022,730 tons containing 1.10% copper and recoverable values of gold, silver and molybdenum totalling \$1.13 per ton. The overall stripping ratio is 0.90 cubic yards of waste rock to one ton of ore and the amount of overburden to be removed from all pits totals 611,500 cubic yards.

It is estimated that during the first year of operation, 650,000 tons of ore will be milled and 720,000 annually thereafter. The following table schedules production from the various pits in accordance with the mining sequence previously outlined.

ORE AND WASTE PRODUCTION SCHEDULE

Year	Ore Zone	Ore Tons	% Cu.	Grade MoS ₂	White Rock Cu. Yds.	Waste/Ore Ratio Cu. Yds./Ton
Preproduction						
	Little Chief	70,000*	1.25	—	275,000	3.929
1.	Little Chief	580,000	1.25	—	814,810	1.405
2.	Preproduction					
	Arctic Chief	—			16,850	—
	Little Chief	599,010	1.08	—	706,670	1.180
	Arctic Chief	120,990	1.27	—	76,480	0.632
	Totals & Averages	720,000	1.11		800,000	1.111
3.	Preproduction					
	War Eagle	—			233,800	—
	War Eagle South	—			64,000	—
	Little Chief	269,600	1.43	—	153,320	0.569
	Arctic Chief	299,760	1.27	—	88,130	0.294
	War Eagle	150,640	1.13	—	260,750	1.731
	Totals & Averages	720,000	1.30	—	800,000	1.111
4.	Preproduction					
	Cowley Park	—			329,670	—
	War Eagle	613,650	1.25	—	265,800	0.433
	War Eagle South	106,350	0.96	—	204,530	0.192
	Totals & Averages	720,000	1.20	—	800,000	1.111
5.	Preproduction					
	Keewenaw	—			75,000	—
	War Eagle	162,240	1.35	—	90,000	0.555
	War Eagle South	108,980	0.96	—	50,000	0.459
	Cowley Park	448,780	0.86	0.091	300,000	0.668
	Totals & Averages	720,000	0.99	0.057	515,000	0.715
6.	Preproduction					
	Best Chance	—			50,000	—
	Cowley Park	570,000	0.86	0.091	100,000	0.175
	Keewenaw	150,000	1.05	—	125,000	0.833
	Totals & Averages	720,000	0.90	0.072	275,000	0.382
7.	Preproduction					
	Cowley Park	246,270	0.86	0.091	49,750	0.202
	Keewenaw	335,180	1.05	—	75,090	0.224
	Best Chance	138,550	0.98	—	100,000	0.722
	Totals & Averages	720,000	0.97	0.031	224,840	0.312
Ore remaining after seventh year						
	Best Chance	52,730	0.98		19,250	0.365

*It is assumed the 70,000 tons of ore mined from the Little Chief during preproduction will be milled during the first year.

I concur in the estimated Mine Operating and Capital Costs included in the summaries of this report and also in the other costs summarized by Mr. L. F. Wright.

Respectfully submitted,

J. A. C. ROSS, P.Eng.

JACR/lz

